

# *The* **NATIONAL UNDERWRITER**

*Greetings*

to

**NATIONAL ASSOCIATION  
of  
INSURANCE AGENTS**

assembled at

**Milwaukee**

*and best wishes for a most successful convention*

May your deliberations and decisions result  
in even greater service to the insuring public  
and to the insurance business generally.

**Preferred Accident Insurance Company of N. Y.  
and  
Protective Indemnity Company**

Edwin B. Ackerman, *President*

80 Maiden Lane

New York, N. Y.

**AUTOMOBILE • ACCIDENT • BURGLARY • PLATE GLASS • LIABILITY • COMPENSATION**

**N. A. I. A. MILWAUKEE CONVENTION**

**THURSDAY, OCTOBER 12, 1944**



# "Time Out"

## FOR BUSINESS



**Emmco**  
**SHOULDER-TO-SHOULDER**  
**PLAN**

- 1 Complete assistance to you on underwriting problems.
- 2 Attractive sales aids to help you in writing new business.
- 3 Prompt, courteous adjustment service.
- 4 Maximum protection for your policyholders.
- 5 Streamlined office methods to simplify your paper work.

No man's desk will function when he is absent; however, it will remain where it is until he returns. On the other hand, there is no assurance that clients will remain as they are if a lack of calls and service is in evidence. Although no substitute has been found to effectively replace frequent calls and proper service, less time is necessary at the desk through the use of Emmco's simplified plan. We invite your requests for full information and sincerely ask to serve. *Take "Time Out" for business.*



E. M. MORRIS, PRESIDENT

HARRY H. ERDMANN, EXECUTIVE VICE PRESIDENT

THOS. F. SHORTALL, VICE PRESIDENT & SUPT. OF AGENCIES

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You couldn't skip 35% of the products of the production line in making rubber rafts...or anything else.

Yet some clients buy only partial fire insurance coverage. Here is a case where the adjuster's report said, "...they have sustained a loss greatly in excess of the insurance carried".

Sell adequate coverage... you'll serve your clients best... and yourself.



NATIONAL FIRE INSURANCE COMPANY OF HARTFORD  
MECHANICS AND TRADERS INSURANCE COMPANY  
FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK  
TRANSCONTINENTAL INSURANCE COMPANY  
UNITED NATIONAL INDEMNITY COMPANY  
HOME OR ADMINISTRATIVE OFFICES  
HARTFORD, CONN.

WESTERN DEPARTMENT  
175 WEST JACKSON BLVD.  
CHICAGO 4, ILL.

PACIFIC DEPARTMENT  
234 BUSH STREET  
SAN FRANCISCO 20, CAL.

Claim Number 73,797 tells of inadequate coverage in a factory.

|                             |          |
|-----------------------------|----------|
| Cash Value of Property      | \$66,756 |
| Insurance in Force          | 40,000   |
| Loss or Damage              | 61,756   |
| Amount paid under Insurance | 40,000   |
| Net loss to insured         | 21,756   |

The insured had to bear 35% of this loss.

For only \$465.82 more, this factory could have been fully protected.

The *National Fire* Group





## "Hey, Fellows it's a boy!"

Days and weeks of silence from the pretty little wife that he'd left behind just when he'd most wanted to be with her. Then this brief but joyous message—"Son born—Mother doing fine." You can bet that *he* appreciates the American Red Cross. For it was the Red Cross that got the message through that substituted happiness for anxiety. The Red Cross was right there at home, too—Nurse's and Dietitians' Aides in the hospital;



later home nursing service to see that every little care was provided. Yes, the American Red Cross is doing *what it can* to do everything *he'd* want to do for her—as well as everything *she'd* want to do for him. And this story might be repeated countless times all over the country and all over the world. So let's give a hand—a helping hand if possible—to this fine organization which knows no other reward than satisfaction in having been of service.

*This is the eighth of a series of advertisements dedicated to the American Red Cross by*

THE HOME INSURANCE COMPANY, NEW YORK

FIRE • AUTOMOBILE • MARINE





## SURVEY SELLING FILLS THE GAPS

CERTAINLY this picture is ridiculous. Yet it is no more ridiculous than the insurance position of many of your own clients and most of your prospects. They're top-heavy on some kinds of protection, and absolutely lacking in others.

Survey Selling, with the help of American Insurance Group's new-style

Personal Insurance Survey, is one of the easiest, most satisfactory—and most profitable—ways of "filling in the gaps."

This simple, quick-to-fill-out form presents a complete picture of a man's insurance as it stands today—and shows where additional insurance is needed. Two-thirds of the people in the U. S. want this kind of insurance presenta-

tion, yet only one-third have ever been approached with it.

For your information and assistance, The American Insurance Group has prepared "An Introduction to Survey Selling." Write for a copy — FREE — with our compliments. The American Insurance Group, Dept. 30, Newark 1, New Jersey.

ADEQUATE INSURANCE PROVIDES "FREEDOM FROM UNCERTAINTY"

THE **1846** American Insurance Group  
Newark 1, New Jersey

The American Insurance Company • Bankers Indemnity Insurance Company • The Columbia Fire Insurance Company • Dixie Fire Insurance Company • The Jersey Fire Underwriters

## Helping the Farmers

The Fire Insurance Industry has been of real help to the farmers of America:

In lessening the hazards of homes, farm buildings and equipment, through the skillful research of our laboratories, greatly eliminating the dangers from fire, lightning, electricity, gas, oil, spontaneous combustion.

In offering appropriate insurance

policies, especially fitted to their needs—such as Fire, Hail, Windstorm, Growing Crops, Rain Insurance, Horse and Wagon, Live Stock (Trip Transit), Automobile, Truck.

In protecting their investment of farm lands and farm machinery, and furnishing a backlog which allows freedom for new experiments in crops.

In making it more possible for them to produce and deliver vital food crops for a nation at war.

In giving them practical advice on fighting forest fires, always a source of danger to farmers.



### CRUM & FORSTER

MANAGERS

110 WILLIAM STREET • NEW YORK, N. Y.

United States Fire Insurance Co. . . . . Organized 1824  
The North River Insurance Co. . . . . Organized 1822  
Westchester Fire Insurance Co. . . . . Organized 1837  
The Allemannia Fire Insurance Co. of Pittsburgh . . . . . Organized 1868

Richmond Insurance Co. . . . . Organized 1836  
Western Assurance Co., U. S. Branch . . . . . Incorporated 1851  
British America Assurance Co., U. S. Branch . . . . . Incorporated 1833  
Southern Fire Insurance Co., Durham, N. C. . . . . Incorporated 1923

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.



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## Says Potentialities in Bank Finance Field Enormous

**R. B. Umberger, Chicago  
Banker, Arouses Enthu-  
siasm by His Presentation**

MILWAUKEE—If banks will put their credit facilities within the workable reach of insurance men the direct method of automobile finance offers a very sizable opportunity to the local agents. Robert B. Umberger, executive vice-president of Industrial National Bank of Chicago, concluded in addressing the annual meeting of the National Association of Insurance Agents here. This talk was attended closely because of the practical importance of the subject and because of the fact that Mr. Umberger was speaking from successful experience, his bank having handled during the five years prior to the war a volume of automobile finance business of about \$21 million with the active interest of 2,197 insurance men and 56,000 customers. The insurance premiums involved amounted to about \$1 million.

The speaker suggested that box car figures would be needed to tell the results if that same effort were multiplied by 500 or 1,000 more banks and countless thousands more insurance agents.

### Potentialities Enormous

The potentialities are enormous if insurance companies and agents and the agents' organizations would become aggressively interested in making known to the public that automobile financing can be done this way.

The agents have the opportunity right now, he said, to go to work. They don't have to wait until new cars come off the line. The agent is insuring more automobiles than ever before, his customers owe little or nothing on their cars, many of them have cash for their anticipated new purchases and the agent has an opportunity to make known to these clients that he will be ready to write the insurance if the car is bought for cash and in turn if the customer contemplates buying on time that the agent also can handle the deal.

### Discriminating, Independent-Minded

The discriminating, independent-minded postwar auto buyers constitute the field in which the bank and insurance agent have the best opportunity to work.

The general opinion is, Mr. Umberger stated, that after the war there will be a seller's market until production catches up at least with the backed up demand for replacements. He suggested, however, that the reverse may be true—that with the consumer being in a better bargaining position due to his liquid position there will be a buyer's market rather than a seller's market. The people are in a position to buy what they want, where they want to buy and to name the terms and conditions under which they buy. That means, he vouchsafed, that the credit granting agencies particularly in the financing of durable goods, will be obliged to present to the postwar public a model of financing including rates, terms and other conditions which will meet the more exacting requirements of a class of buyers who may be more discriminating. The instalment

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## New Mexico Agents Hold Convention

**Freudenthal Elected  
President; Braerton  
Analyzes New Forms**

### NEW OFFICERS ELECTED

President—L. E. Freudenthal, Las Cruces.  
Vice-president — Joseph Wertheim, Carlsbad.  
Secretary-treasurer—J. H. McLaughlin, Hatch.  
State national director — Postelle Cooper, Deming.

ALBUQUERQUE, N. M.—About 40 attended the annual meeting of the New Mexico Association of Insurance Agents here. Ralph Apocada, superintendent of insurance, made a comprehensive talk on the effects of the Supreme Court decision declaring insurance commerce. He showed the far-reaching effects of this decision on local



W. L. BRAERTON

agents as well as companies unless legislation is passed by Congress to correct the situation. Postelle Cooper, state national director, discussed the public relations program of the National Association and urged all local agents to become active in helping to make this program a huge success.

### Increase in Membership

The state association shows a slight increase in membership for the year even under war conditions.

The executive committee consists of the officers and district chairmen, who are (1) Le Ray Manuel of Santa Fe; (2) George Anderman of Albuquerque; (3) George Fleming of Las Vegas; (4) to be appointed; (5) Fritz Ward of Artesia, and (6) Frank Papin of Las Cruces.

The association declared for exclusive state supervision of insurance and the preservation of free enterprise and urged their congressmen to aid in bringing this about. It also passed a resolution commending Superintendent Apocada for his aggressive stand supporting state control of insurance and recommended that his department be allocated more funds for its operations in view of the large increase in the volume of business in the state.

A resolution was passed thanking Thornton Seligman of Albuquerque for

(CONTINUED ON PAGE 60)

## Lively Session for Ontario Agents

**Act on Auto Commissions,  
Qualification; Reelect  
Bliss President**

### NEW OFFICERS ELECTED

President—Frank Bliss, Hamilton.  
Vice-presidents—S. A. Darling, Peterboro; L. S. Peacock, Oshawa; F. E. Coyne, Welland; A. E. Thompson, Windsor; John Myles, Sault Ste. Marie; Joseph McCormick, Port Arthur, and George W. Orr, Toronto.

TORONTO—At the annual convention of the Ontario Fire & Casualty Insurance Agents' Association here a resolution was adopted advising tariff companies writing automobile insurance that they should pay 5% more in commission to compete with other companies writing this class of business. It was revealed during discussion of the matter that a movement already is under way to stabilize automobile commission rates within the province, but agents felt that commissions should be stabilized at the higher, non-tariff level.

### Call for Qualification Plan

Another resolution empowered the association's qualification committee to proceed immediately with an agents' qualification plan, details are to be left to the discretion of the committee. A second resolution on the same subject provides that if and when the superintendent of insurance institutes or approves a satisfactory qualification requirement for new licensees, the executive committee of the Ontario agents' association is empowered to secure the services of a fulltime association manager. At that time a special meeting will be called to establish a new scale of fees.

The association asked the companies (1) to consider including earthquake insurance in supplemental contracts with an additional premium; (2) to advertise in the press any changes or additional coverage, and (3) form a pool to insure buses, taxis and their drivers and other sub-standard risks at appropriate rates.

The association opposed issuance of licenses to those who plan to sell hail insurance only. The name of the association was changed from the Ontario Fire & Casualty Insurance Agents' Association to the Ontario Insurance Agents' Association.

### Membership Sets Record

In his presidential report, Frank D. Bliss, Hamilton, revealed that membership during the year had risen to an all-time high, from 701 to 901.

S. O. Mason, chairman of the agents' qualification committee, stated that since there seemed to be little chance at this time of having qualification on a Dominion-wide basis, the only alternative was to have Ontario go ahead on its

(CONTINUED ON PAGE 60)

## Slate Parley on Overlapping Covers

MILWAUKEE—J. Dewey Dorsett, general manager Association of Casualty & Surety Executives, in a surprise appearance Wednesday afternoon at the N.A.I.A. meeting, announced that probably later this month, there will be held a conference of fire, casualty and marine representatives in an attempt to iron out conflicts arising out of overlapping of coverage and he invited the agents to be officially represented.

## Supreme Court Dashes Hopes; Denies Rehearing

**Idea of Constitutional  
Amendment Now Gets  
Renewed Attention**

The United States Supreme Court announced on Monday, just a week after returning from the summer recess, that it has denied the petition for rehearing in the Southeastern Underwriters Association case. The petition of the S.E.U.A. had been buttressed by the attorneys general of 42 states.

The court in announcing its decision to refuse reconsideration, stated that Justices Roberts and Reed took no part in consideration of the request. They were the two justices that disqualified themselves from the original case. Of the remaining seven justices, four held for the government in the S. E. U. A. case and three for the insurance companies.

There was almost as much interest in insurance circles throughout the country in this decision as there was in the original decision of the court last June 5 holding that insurance is commerce and thus projecting profound and confusing questions as to the future of insurance supervision, state legislation and a multiplicity of procedures especially in the fire, casualty and surety fields.

It was regarded as an odds on chance that the Supreme Court would decide as it did on the matter of a rehearing, but there were believed to be sufficient questions involved to justify the court granting a rehearing, so that the industry and the commissioners continued to be hopeful.

### Easy Solution Swept Away

Had the court granted a rehearing and had this eventuated in a new decision which would have given Congress the power to legislate in the future regarding insurance but would have removed from existing laws affecting commerce their automatic application to insurance, the problem would have been solved in a fundamental way. It would have restored the situation as it existed prior to the S.E.U.A. decision, except that Congress would be free to legislate in the future if it so desired.

The No. 1 plank in the program of the insurance commissioners that was developed in the emergency was to induce the state attorneys general to join in the petition for a rehearing. That now has to be written off, and the alternatives approached with a new sense of their immediacy.

The official statement of policy of the commissioners, that was adopted at St. Louis late in August, provides for a declaration by Congress of its desire not to impair in any way regulation and taxation of insurance by the states, for outright exemption of insurance from the federal trade commission and Robinson-Patman acts and partial exemption from the Sherman and Clayton anti-trust acts.

At the Chicago meeting of the commissioners' committee on federal legislation about 10 days ago, it was strongly urged by industry spokesmen that the state officials endorse the idea of a constitutional amendment removing insur-

(CONTINUED ON PAGE 12)



## Missouri Agents Ask Voice in Rule and Form Changes

**Suggest Brokers Be Included in Association Affairs; Elect Gambrel**

### NEW OFFICERS ELECTED

President—Harry M. Gambrel, Kansas City.  
Vice-presidents—George F. King, Columbia; John Barkley, Mexico, and W. E. Walker, Cape Girardeau.  
Executive secretary—B. G. Gregory, St. Louis.  
Secretary-treasurer—Oden Prowell, St. Louis.  
Chairman executive committee—George D. Clayton, Jr., Hannibal.  
State national director—John J. O'Toole, St. Louis.

By W. A. SCANLON

JEFFERSON CITY, MO. — The Missouri Association of Insurance Agents at the annual convention here, enthusiastically endorsed the movement which is being discussed by agents in other states, to evolve a plan under which the agents will be consulted by the companies before changes in forms and rules are made.

A committee of six is to be appointed by the association, consisting of two



G. D. Clayton, Jr.



H. M. Gambrel

agents from St. Louis, two from Kansas City and two from the rest of the state to confer with the companies in an effort to have such a plan adopted.

The Missouri agents believe it is proper that the selling forces be called in for their views when changes are contemplated. It was pointed out that this is the procedure followed by practically all other businesses when changes and new rules are put in force affecting the sale of their goods.

The convention took up several matters of importance affecting agents, but the attendance was poor.

### Will Try Again for Qualification

For some years the agents have been endeavoring to have an agency qualification bill passed by the Missouri legislature, but they have been unsuccessful. A determined effort to put such a law on the statute books will be made when next the legislature convenes in January, 1945.

Much interest was shown in a proposal to permit brokers to become members of the local and state associations and the National Association of Insurance Agents. It was pointed out that the broker is a producer of business just as an agent is and that many of them would like to participate in association work.

O. D. Evans, St. Louis, stated that several brokers in his city are joining the St. Louis Board as active members.

(CONTINUED ON PAGE 14)

## Time for Agents to Act, North Says

TORONTO—The insurance agents of the United States face a real test in the present Presidential campaign, David A. North, New Haven, past president of the National Association of Insurance Agents, said in his talk before



DAVID A. NORTH

the Ontario Fire & Casualty Insurance Agents Association here. Their thinking and planning has led them to the point where action is now required, he said.

The issue in the November election, he said, will be whether legislators will enact laws to restore to insurance the unhampered continuance of an honest business under the well tried system of state control and lawful combinations to insure stability and adequacy of rates and forms.

He said that he believes that the future will find the insurance industry assuming a forthright attitude and disseminating facts about the business which will not only create good will but will build up a public defense against further bureaucratic attack. Developments in the business have led to a realization of the problem of getting the story of insurance across to the public, to closer relations between various branches of the industry, and to a generally more alert attitude toward industrywide problems, Mr. North said.

## Cooney Feted at 10-Year Mark

NEW YORK—President John R. Cooney of the Loyalty group was honored at a dinner here Friday on his 30th anniversary of association with Firemen's and his 10th year as president. Directors, local officers and heads of the Chicago, Dallas and San Francisco offices attended. Vice-president W. B. Rearden was toastmaster. Percy S. Young, chairman executive and finance committee, presented Mr. Cooney a testimonial on behalf of the officers and directors.

### Kansas Entertainment Features

The annual convention of the Kansas Association of Insurance Agents at Wichita Oct. 18-19 will close with a dance following the annual banquet and entertainment. The dance is being given with the compliments of adjusters in Wichita, being underwritten by W. H. Moore of the Central Kansas Adjustment, former executive secretary of the National Association Independent Adjusters. On Wednesday night Central States Fire will be host at a stag buffet smoker.

## Hurricane Loss Now Estimated at \$15 Million

NEW YORK—Latest figures on the Sept. 14 hurricane losses indicate that the insurance companies will have to pay close to \$15 million exclusive of ocean marine losses, which will run about \$1 million, mainly on yachts and small boats. It appears that the total number of claims will be about 60,000 of which the Fire Companies Adjustment Bureau has already been assigned more than 25,000. In the Texas hurricane of July 27, 1943, there were about 72,000 claims and the total insured damage was about \$12 million. Insurers paid about \$10 million for damage done by the far more destructive 1938 eastern hurricane.

## D. C. Bureau Gets Out First Rules

WASHINGTON—About 180 stock companies and 40 mutuals have signed up under the constitution of the new D.C. fire rating bureau, according to H. E. C. Rainey, its manager. Lines covered are fire, windstorm, explosion, extended coverage, riot and civil commotion and falling aircraft.

The bureau is stamping policies as they come through, carbon copies going to company home offices, said William N. Payne, chairman of the governing committee.

"The bureau is acting as the policeman of the industry," said Payne. "It has nothing to do with commissions. That is a matter between company and agent."

Mr. Rainey announced that use of the 1943 New York standard fire policy or the 1918 New York policy with the 1943 standard conversion endorsement is "mandatory."

The minimum premium for separate windstorm policies, or riot and civil commotion and explosion has been changed to \$5.

The bureau has promulgated a rule that whenever a document submitted for stamping is found to be in violation of the rules, rates or forms of the bureau, it shall be stamped "In Violation," dated, and an explanatory notice sent to the company and agent. Any violation which remains uncorrected at the end of 45 days shall be referred to the superintendent of insurance for action.

Existing rates, rating schedules, rules and forms of the D.C. Underwriters Association, Eastern Tornado Association and Explosion Conference, with certain changes, have been approved tentatively by Superintendent Jordan.

The flat cancellation 45-day rule 20A has been amended.

### Add to Mutual Agents' Program

Ernest L. Clark, insurance manager of the J. C. Penny Co., New York City, has been added to the program of the National Association of Mutual Insurance Agents, which will hold its convention in New York City, Oct. 16-17. Mr. Clark will discuss "Opportunities and Problems of the Postwar Agents." Henry R. Johnston, treasurer of the committee for economic development of New York City, will be the banquet speaker. Reservations indicate that the meeting will be the largest in the association's history, according to Philip L. Baldwin, executive secretary.

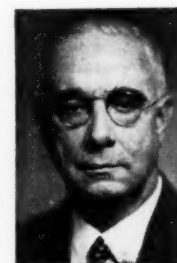
### Farm Moral Hazard Vanishes

Moral hazard has disappeared almost entirely from farms so far as insurance is concerned. All the farmers are making money. Farm products are selling at a good price. There is nothing to be gained in having material or equipment burned. Therefore, the farmers are watching their property more carefully.

## Marine Men See Big Foreign Trade Era After War

**H. C. Thorn Tells Exporters American Insurance Market Is Fully Prepared**

NEW YORK—Marine underwriters in this country are looking forward to a great era of foreign trade in this country after the war and are fully prepared to offer the protection, both marine and



H. C. Thorn

here.

Mr. Thorn said that the American market, which of course includes foreign companies licensed here, is prepared to continue furnishing a complete marine insurance facility at proper premium rates and with complete adequate security; to furnish advice on packing and stowage problems; to supervise the loading of vessels through the Board of Underwriters to promote the safety of vessel and cargo; and to maintain a world-wide system of claim and settling agents so that losses may be promptly adjusted and claim payments facilitated.

### Sees Joint Conferences Furthered

The underwriters also hope to expand the very useful system that grew out of the present war whereby from time to time committees of the American Institute of Marine Underwriters, could sit down with committees of various trade associations and by frank discussions iron out problems that may arise in the insuring of certain classes of goods and to design coverages that will suit the peculiar needs of certain trades. The institute has also cooperated with the banks so that marine coverages will fit in with the terms of credit.

Mr. Thorn urged the group, which included many of the most important of the country's foreign traders, always to consider coverage and security first and foremost, since cheap insurance that does not properly protect is money wasted; and above all to read and understand their policies, since insurance policies, particularly marine policies, are quite technical contracts and the time to be sure that they give the required protection is before the loss occurs. He urged his listeners to avail themselves of the services of a good broker or agent, saying that they would be only too happy to work out these questions with the insured, as is the underwriter as well.

Urging proper safeguard in packing and choice of transportation methods, Mr. Thorn pointed out that while the loss if any will fall on the underwriter it is self-evident that a continued bad loss experience will tend to increase rates while good experience will tend to lower them.

Admitting frankly that his talk was a plea to patronize the home market, Mr. Thorn said that during the early days of the present war there were many cases of extreme hardship because of insur-

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## Accountants Hear Hess on Rating; Many Topics Aired

### Closer Tie Between Schedule Factors and Classified Experience Is Suggested

NEW YORK—Suggesting a closer tie between schedule factors and classified experience, H. M. Hess, manager New York Fire Insurance Exchange, advanced several ideas for improving and simplifying fire insurance rating in his talk before the Insurance Accountants Association's conference.

Illustrating his suggestion for a closer



HAROLD M. HESS

tie between schedule factors and classified experience, Mr. Hess said that "if by adequate definition and classification of occupancy we can group mercantile contents into five or six grades of combustibility and five or six grades of susceptibility a classification of burning ratios or loss ratios for similar groups should be of some assistance in determining the adequacy or inadequacy of the schedule factors."

#### Wide Range of Opinion

Any classification, to be helpful in rate making should be based upon a reasonable grouping of similar risks and should cover a sufficiently large territory for a sufficiently long time to afford an adequate average, he pointed out. Saying that the use of statistical experience as a basis for schedule fire rating is quite a controversial subject, he observed that opinion ranges all the way from the making of rates by the use of elaborate statistics showing burning ratios of large numbers of classes with a minimum or negligible amount of schedule rating to the other extreme of elaborate detailed schedule rating and no reliance on classified statistics. Somewhere between these two extremes lies the desirable mean, he said.

Mr. Hess said that in his opinion classified statistics should be subdivided into the following major groups: (1) residence properties (buildings and contents); (2) mercantile, warehouse and office buildings; (3) mercantile, warehouse and office contents; (4) manufacturing and special hazard properties and warehouses connected therewith; (5) sprinklered properties; (6) miscellaneous classes. He said that sep-

(CONTINUED ON PAGE 56)

## Coast Guard Shield to Grain Pool

Underwriters Grain Association of Chicago was signally honored Wednesday in being presented with the United States Coast Guard shield of honor. The presentation was made in the chambers of the Chicago city council at the same time that a similar presentation was made to the Chicago fire department. There was an audience of nearly 300.

The recognition was given to the Grain Association because of its cooperation with the coast guard in the inspection of water front elevator properties. Rear Admiral Charles Park made the presentation and it was received in behalf of the Grain Association by C. E. Harbin, manager of Grain Association who developed the plan of Coast Guard cooperation in waterfront inspection.

Wednesday was coast guard day of Fire Prevention Week and the ceremony thus highlighted that occasion.

### Ask States to O.K. New SWPC Insurance Program

WASHINGTON—Some time will pass before publication of the Smaller War Plants Corporation insurance rules and regulations, policy forms and rider, officials say, owing to the necessity of clearing the form, etc., with insurance authorities of 48 states.

This process is said to be delayed by the fact that the SWPC program calls for provision that the insured (SWPC) will not be liable for premiums. This provision, in line with the principle of the Defense Plant Corporation (RFC) insurance program, and which calls for the lessees of SWPC plants or equipment being responsible for premiums, is said not to accord with the general theory and practice of insurance under state regulation and laws. In some states it is reported not to be liked.

DPC is continuing servicing SWPC insurance meanwhile, it is understood, as it will after state approval is secured for the SWPC insurance program and the latter is promulgated, RFC sources say.

### Five-Year Record Is Set Forth in Novel Fashion

Mackubin, Legg & Co. of Baltimore has gotten out a publication, "Review of operations of 38 fire-marine insurance companies and 18 casualty-surety insurance companies." Shown under one cover are results of operations for a five-year period not only in dollars but in dollars per share as well as the operating results percentage wise to total operating income for each company.

A circular chart appears in each report showing the percentage diversification of assets at the 1943 year end. Also there is shown the percentage of government bonds in cash to net liabilities less the equity and the premium reserve, thus showing the liquid position of each of the companies. Another item is the net operating income for the five year period which is income after federal taxes. The percent of "plow back" to net operating income is also shown.

#### Zone 3 Meeting Oct. 27

The commissioners of Zone 3 have scheduled a meeting for Oct. 27 at Montgomery, Ala. Commissioner Larson of Florida is zone chairman.

At a meeting of the Lucas County Insurance Board in Toledo, Louis J. Costa, fire prevention engineer, presented a lecture and showed a film on fire prevention.

## Dual Supervision in Canada Is Viewed by Foster

DETROIT—Canada has a dual supervision of insurance that works out very well, with the Dominion government assuming responsibility for the financial stability of Dominion-registered companies and the provincial governments assuming all other responsibilities such as approval of policy forms and the licensing of agents and brokers, R. Leighton Foster, general counsel for Canadian Life Officers Association and former superintendent of insurance of Ontario, declared before the October meeting of the Michigan Actuarial Society.

This dual supervision has continued since Canada reached dominion status, he explained, by virtue of the so-called British-North American act of the British parliament in 1862. This act, under which financial institutions are regulated, makes no specific reference to the insurance business as such and consequently there has been a continual contest between dominion and provincial governments as to which shall assume what responsibilities for insurance supervision.

#### Two Possibilities

As to the future of supervision in Canada, the issue has by no means been settled and two possibilities loom: first, that the British-North American act may be amended to provide for dual supervision of the type that custom alone has built up and which is working out satisfactorily, and second, that the provincial governments as a result of possible court decision may assume more and more of the supervisory functions.

A great deal of the credit for the success of both dominion and provincial supervision may be attributed to the fact that both the dominion superintendent and the various provincial superintendents operate under civil service and none has ever been forced to resign for political reasons during the entire history of insurance supervision in Canada.

Mr. Foster answered a number of questions from the floor at the conclusion of his address, giving an "off the record" contrast of modus operandi of Canadian and United States insurance departments.

### W.U.A. Seeks to Escape Involvement in Minn. Case

MINNEAPOLIS—Attorneys for the Western Underwriters Association appeared in federal court here requesting an order to quash and set aside the attempted service of process on that organization as a defendant in the conspiracy and boycott action brought by Jack T. Miller. The defendants have not yet filed their answer at Minneapolis and have only until Oct. 21 to do so.

The feeling here is that it will be several months before the case comes to trial.

#### Wheeler Is Toledo Speaker

Robert B. Wheeler, special agent of American Surety, addressed the Toledo Association of Insurance Agents Tuesday.

#### Consider School Self-Insurance

The Youngstown (O.) board of education has authorized a detailed survey of fire insurance needs of local schools. The board is considering setting up its own insurance fund. About \$5,000 a year would be set aside until the fund reaches \$250,000.

John Smith, for many years associated with the Smith, Stone & Snyder agency in Wichita, has withdrawn from the agency. He has not announced his future plans. He is not related to Dwight Smith, senior member of the firm.

## Fire Prevention Week Observance Is Nation Wide

### Mounting Losses Stimulate Community Attention to Serious Problems

The nation's total fire loss has almost doubled in nine years, W. E. Mallalieu, general manager National Board, declared, in a Fire Prevention Week (Oct. 8-14) message. Last year the total fire loss was the highest in 11 years. The low point of a cycle was the total of 12 months from July, 1934, to June, 1935, when fire losses amounted to \$254,038,000. For the similar 12 months 1943-1944, the total reached a high of \$403,773,000 and the trend is continuing upward.

War conditions are the motivating factors behind most increases in fire waste as well as other increase in valuations of American property exposed to fire.

One of the greatest possibilities of curtailing fire losses in war industries is in training employees to recognize fire dangers inherent to their jobs, Mr. Mallalieu emphasized. He suggested that factory managers form committees and arrange meetings of workers to study fire dangers of their plants. With the cooperation of local fire chiefs, inspections should be made to locate hazards. Employees should be organized into fire brigades to practice handling fire-fighting equipment.

Maintaining municipal fire departments at high efficiency is a difficult matter in view of manpower shortages. This situation demands increased activity for firemen remaining on the staff, greater efforts to keep equipment up to standard, and more drilling so that members will work together smoothly under fire conditions.

It is doubly important that sprinkler equipment be checked and tested frequently. If it becomes necessary to shut off the sprinklers for repairs, they should be turned on again promptly.

#### CINCINNATI STAGES CAMPAIGN

CINCINNATI—Walter Alexander, chairman fire prevention committee Cincinnati Fire Underwriters Association, is staging an active Fire Prevention Week campaign with the cooperation of service organizations.

Fifty thousand copies of a new inspection pamphlet prepared by Robert Williams, head of the Cincinnati fire department's fire prevention bureau, are being distributed in the residential area. A similar pamphlet will be sent to the 5,000 industries in the city. The fire department personnel will distribute the booklets. A mobile unit with a fire prevention display is visiting various parts of the city, presenting motion pictures and lectures.

A feature of this year's effort is a new committee to organize employees in industry for fire safety. Such employees will handle fire extinguishers and in larger industries fire brigades will be organized within factories, stores and schools.

#### EXTENSIVE PROGRAM IN OKLA.

OKLAHOMA CITY—Fire Prevention Week is being observed more extensively than ever in Oklahoma, with field men and all members of the state fire marshal's office responding to calls for talks before schools and civic clubs. Although there was a large number of re-

(CONTINUED ON PAGE 14)



## Fred Then Joins Northern of N. Y.

Fred Then has resigned from Aetna Fire to join Northern of New York as assistant secretary. Mr. Then started his insurance career with Assurance Company of America, managed at that time by E. E. Hall & Co., and Henry I. Brown. This company was later merged with Northern.

Mr. Then joined Standard of New

York in 1924 and became metropolitan underwriter, manager of the automobile department and later assistant secretary. When Standard Surety & Casualty was put under management of the fire company he was made an officer and assisted in the administration of that company's affairs.

George Z. Day, president of Northern, was president of both Standard and Standard Surety & Casualty at that time, so in joining Northern Mr. Then is continuing with an association that has been the background of most of his business career.



"YEAH—IT ALL STARTED yesterday. He didn't feel too good when he blew in and it didn't help any to have Tommy bring him his mail unopened almost an hour late. Of course, the kid has to do everything himself by hand, so what can he expect?"



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## Tax League Head Says Mutuals Still Get Preference

### McCabe Tells Agents of Unfair Tax Advantages Cooperatives Enjoy

At the final session of the National Association of Insurance Agents meeting in Milwaukee, R. C. McCabe, International Elevator Company, Minneapolis, president National Tax Equality Association, dwelt on the tax advantages which cooperative organizations hold over private business firms. He explained that, despite the law change in 1942, mutual companies still have a tax advantage over stock companies in a normal year. He said there are still many private business men who are "riding two horses, one overloaded with taxes, the other carrying only a very light load. . . . It is up to the private business men of this country who wish to use mutual organizations to put their own houses in order before they ask Congress to equalize the rules of competition between their own business and their competitor-cooperatives and government in business."

Mr. McCabe said that his association is making a study of the stock-mutual tax situation. It is not finished, but he said that, despite the vigorous protests of mutual representatives that they are paying more federal taxes than stock companies, he believes that final figures will show the reverse to be the case.

### Formula Favors Mutuals

The 1942 law under which mutual companies are taxed by the federal government is a compromise and obviously a patch work. Mutuals are permitted to exclude dividends before computing the tax and the excess profits tax is levied only on investment income, while stock companies pay this tax on both investment and underwriting income. If there were a loss and expense ratio of 100%, the mutuals pay more, but if it is anything less than this the stock companies are taxed more heavily. As a specific example, in one case, with a 100% loss ratio, the mutual formula resulted in a tax of \$633,000, while the same figures applied to a stock company would result in a tax of \$53,000. However, if the expense and loss ratio is figured at 95%, the mutual tax would remain at \$633,000, while the stock company tax would rise to \$2,490,000.

The National Tax Equality League, Mr. McCabe said, is not opposed to cooperatives or to any way of doing business. It was organized a year ago to fight for taxation in competing businesses on the same basis. He invited insurance men to use the facilities of his association.

### Cooperatives Subsidized

Congress apparently looked upon the cooperative movement as the savior of a declining agriculture, hence a series of laws aimed to foster the growth of cooperatives. They are exempt from almost every kind of federal tax and can market their securities without any supervision of the Securities & Exchange Commission. Starting as little associations of producers, some of them have grown to giants, but still under the protection of tax exemption. Being free from income taxes, they have pyramided their earnings year after year, expanded their holdings and laid in reserves in a way that no tax paying independent enterprise can. As an example, he cited

the Farmers Union Grain Terminal Association of St. Paul, which in six years has grown to a net worth of over \$5 million and in 1943 made a profit of \$2 million. A private grain elevator company with that profit would have paid \$1½ million, but this cooperative paid nothing. Instead of dividends, it gives its members stock in the company at \$25 per share and pays about 3% interest, using the cash profit to buy more elevators and other facilities from competitors whom it is putting out of business.

Two other supercooperatives described by Mr. McCabe are the Consumers Cooperative Association of North Kansas City, which today owns about \$8 million of oil wells, refineries, feed mills, canneries and soybean plants. Another is the Southern Consolidated Cooperatives, Inc., which was planned by men employed by the United States Department of Agriculture. In addition to marketing, it proposes to manufacture 40 items, including prefabricated houses, clothes, shoes, caskets and will sell life, fire, liability and livestock insurance. It will operate tourists' camps and teach cooperation in the public schools—for which it proposes to borrow from the federal government from \$5 million to \$8 million for 40 years at 1%.

W. B. Calhoun, Milwaukee, and H. W. McGee, Los Angeles, are insurance directors of the National Tax Equality Association, which was organized about a year ago.

### Program for Maine Agents' Annual Meeting Announced

At the annual meeting of the Maine Association of Insurance Agents at the Mansion House, Poland, Oct. 18, the executive committee will meet in the morning and the entire convention session will be in the afternoon.

In addition to the address of President Ralph L. Young of Portland, the secretary's report and election of officers, talks will be given by Guy T. Warfield, Jr., Baltimore, N.A.I.A. executive committeeman; Guy R. Whitten, deputy insurance commissioner, and H. R. Borggren, trust officer First National Bank, Malden, Mass., on "Bank Finance and the Agent."

Both Governor Sewell and Governor-elect Hildreth are expected to be present at the banquet that evening and speak briefly.

### N. J. Department OK's Awning Loss Payments

The New Jersey department has issued a ruling that permits insurers to pay awning losses in the hurricane despite the fact that awnings are not covered under the contracts authorized in New Jersey. It holds that such payments are not in violation of the spirit or intention of the prohibitive provisions of the insurance law.

### Combs, Duffus Buffalo Speakers

Hugh D. Combs, vice-president of U. S. F. & G. will speak at the banquet of the state convention of the Federation of New York Insurance Women's Clubs, at Buffalo Oct. 26. Roy Duffus, secretary of the James Johnston agency of Rochester, will address the insurance women at their business meeting in the afternoon on "Insurance Strategy in War Time."

### Wilkinson to Home Office

Harold Wilkinson, special agent in central New York state for Hartford Fire, has been taken into the home office. He is replaced as Syracuse manager by H. D. Manns, who has been New York City special agent.

E. B. Berkeley, president of the Cleveland Insurance Agency and former president of the Ohio Association of Insurance Agents, has returned to the office after a long siege of pneumonia.



## Johnson Explains Supervisors' Stand at Agents Session

MILWAUKEE—In his review of the present legal turmoil in which the insurance business has been placed by the U. S. Supreme Court decision in the Southeastern Underwriters Association case, delivered at the closing session of the National Association of Insurance Agents meeting here, Commissioner Newell R. Johnson of Minnesota, president National Association of Insurance Commissioners, urged all interests in insurance to resolve their differences and think in terms of the public interest.



N. R. Johnson

### Amendment Impractical

Mr. Johnson reviewed the various specific proposals which have come from the business. He agreed heartily that an attempt should be made to obtain a rehearing of the S.E.U.A. case, but pointed out that it would be folly for the business to stand still and do nothing. He said the executive committee considered the suggestion of seeking an amendment to the federal constitution, still advocated by some fire and casualty leaders, but reluctantly concluded that the chances of achieving this were virtually negligible and the road, with little prospect of success, would be long and difficult. The Bailey-Walter bill now before the Senate, he said, has not met the full approval of the industry and, even if it did, it is by no means the answer to all the problems.

### Lawyer Says Congress Can Preserve State Supervision

Thomas H. Slusser, prominent Chicago attorney who was general counsel for the Century of Progress exposition, in a recent review of the U. S. Supreme Court decision in the Southeastern Underwriters Association case, points out that the decision still leaves Congress with the power to turn insurance supervision back to the states. Congress, he said, "still has a laudable yearning to be reelected," so the people still have a chance to avoid federal domination of the insurance business, if they wish.

The review points out that the extension of the commerce clause to give the federal government power to regulate any business was forecast in 1916 by Justice Frankfurter, then a Harvard law professor, and that, for all practical purposes, the government won its case in 1937, when the national labor relations act was held valid. Insurance was actually "by-passed" for several years, and all this time it was evident to any observer that Paul vs. Virginia was doomed whenever the government chose to move against it.

However, Mr. Slusser pointed out, the extent of the sweeping reversals of precedent is shocking many persons, as evidenced by the language of the three dissenting justices, two of whom are supposed to be "liberals," and also by an earlier dissent of Justice Roberts. Even the majority justices indicate that state insurance laws, under the authority of the Parker vs. Brown decision, are valid unless overruled by Congressional law, and there, in Mr. Slusser's opinion, is the hope of the insurance business. He said that in his opinion the fact that some business is interstate commerce does not mean that Congress

is compelled to regulate it. Under the "general welfare" clause of the federal constitution, there is no reason why Congress cannot affirmatively turn insurance back to the states.

### Honor Heads of Insurance Groups

MINNEAPOLIS—About 250 insurance men from all branches of the business attended a dinner here in honoring four Minnesota men who currently head national insurance organizations: Newell R. Johnson, president National Association of Insurance Commissioners;

Leonard C. Lund, deputy commissioner and chairman of the fire marshals' section of the National Fire Protection Association; H. P. Skoglund, North American Life & Casualty, president Health & Accident Underwriters Conference, and Thomas G. Linnell, Minneapolis general agent, most loyal grand gander of the Blue Goose.

Wheaton A. Williams, executive vice-president of Fred L. Gray Co., was master of ceremonies. There was no speech-making outside of remarks by the four guests of honor.

### Hold Ky. Field Meetings Nov. 21

LOUISVILLE—The Kentucky Fire Underwriters Association has decided to hold its annual meeting here Nov. 21. There will also be meetings of the Kentucky Fire Prevention Association and Kentucky Blue Goose.

### New Mutual Insurer Projected

Ideal Mutual Insurance Co. has filed notice of intention to incorporate in New York, to write glass, collision, public and property damage liability, and compensation.



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## NEWS OF FIELD MEN

### Jennings Joins Kansas City F. & M.

William H. Jennings, Jr., has been appointed special agent in Illinois for Kansas City Fire & Marine with headquarters in Rockford.

Mr. Jennings is well known in insurance circles, having started his insurance career with the Oklahoma Inspection Bureau in 1918. After two years in Oklahoma he joined the Illinois Inspection Bureau where he remained until 1929 when he was transferred to the Rockford branch. In 1932 he resigned to enter the local agency business in Rockford. In December, 1942, he entered the internal security division of the war department as an inspector, which position he held until February of this year.

During the time he operated his agency in Rockford he took a prominent part in insurance affairs. He was president of the Illinois Association of Insurance Agents from November, 1937, until November, 1939, having previously served as a director. He was chairman of the executive committee following his presidency, and in November, 1941, was elected chairman of the advisory committee and served in that capacity until November, 1943.



W. H. Jennings, Jr.

cials and T. J. Ocask and C. H. Roggenkamp will address a meeting of safety engineers and plant maintenance personnel. Problems involved in plant protection will be discussed.

### Names Hohmann in Indiana

St. Paul F. & M. has appointed P. A. Hohmann as special agent to assist State Agent M. H. Crain in central Indiana. Mr. Hohmann's entire experience has been in the home office. He will have headquarters at 1128 Circle Tower, Indianapolis.

### Observe N. J. 25th Anniversary

NEWARK—More than 125 members of the New Jersey Special Agents Association and a number of home office men attended a dinner here in celebration of its 25th anniversary. Leon A. Watson, Schedule Rating Office of New Jersey, was toastmaster.

Gilbert Stecher, Commercial Union, reviewed the association's work during its 25 years of existence.

### French in Vt. and N. H. Field

Robert F. Babcock has resigned as special agent of Fireman's Fund in New Hampshire and Vermont to go with the Mason Agency at Keene, N. H., and Roy A. French, who has been Springfield Fire & Marine special agent in New Hampshire, will succeed him. Mr. Babcock was given a farewell luncheon by his associates in the eastern department headquarters of Fireman's Fund in Boston. Fred H. Morasch, eastern department manager, was toastmaster, and presented Mr. Babcock an appropriate gift.

### K. C. Pond to Initiate

The fall meeting, dinner and initiation of new members will be held by the Heart of America Blue Goose in Kansas City, Oct. 23.

### Wichita Puddle Activities

J. E. Patterson, Wichita attorney-adjuster and member of the Sunflower Blue Goose puddle there spoke at its

### Broughton Named Albany Manager by North America

North America has appointed John J. Broughton manager of its Albany, N. Y., service office, succeeding J. Arthur Rizy, who is being assigned important responsibilities in another office.

Mr. Broughton became associated with North America in 1925 as an engineer in the head office in Philadelphia. Two years later he was transferred to the engineering department in Pittsburgh and in 1929 began an extensive field experience in Pennsylvania and New Jersey. For four years he has been an assistant manager in the Newark office, where he is succeeded by W. D. Rogers.

### Thomas J. Breslin Joins N.B.&M. in Eastern Pa.

North British & Mercantile has appointed as special agent in eastern Pennsylvania Thomas J. Breslin who will be associated with Special Agent John H. Webber. Mr. Breslin will make his headquarters with Mr. Webber at 508-510 Walnut street, Philadelphia.

Mr. Breslin has been traveling for Globe & Rutgers. He has been in the business for more than 21 years and has had both home-office training and field experience. He is secretary of the Underwriters Club of Philadelphia.

### Install New Utah Officers

The Utah-Idaho Blue Goose at a meeting in Salt Lake City installed the officers elected in June. Arthur S. Nicholls reviewed the work of his administration.

### Inspect Athens, O., Oct. 19

A luncheon for members of service clubs will be held in connection with the inspection of Athens, O., on Oct. 19 by the Fire Prevention Association of Ohio. E. T. Cox, Western Actuarial Bureau, will speak. Harry L. Krieger, Ohio Inspection Bureau, will review the public fire protection in Athens with city offi-

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luncheon last week on "Our Constitution." Emmett T. Cox, Western Actuarial Bureau, Chicago, made a short talk at the Oct. 9 meeting. The November speaker will be J. C. Woodin, director of industrial education in the Wichita schools.

### Walters State Agent in Conn.

Manhattan Fire & Marine has appointed Charles P. Walters state agent for Connecticut, exclusive of Fairfield county.

Mr. Walters, a resident of Windsor, Conn. served his insurance apprenticeship with the old Delaware Underwriters of Philadelphia. He has traveled as a field man for 22 years.

The Indiana Fire Prevention Association will inspect Terre Haute Oct. 17-18. R. E. Vernor, Western Actuarial Bureau, will address a mass meeting Tuesday.

O. C. Ward, Sun, and W. R. Meyer, Security of New Haven, were admitted to membership at the October meeting of the Michigan Fire Underwriters Association in Detroit. A report on the executive committee meeting the preceding day was given by Chairman G. L. Stone, National Liberty.

The Minnesota Fire Prevention Association will inspect Montevideo Oct. 25. The previous day members John McHale of New York Underwriters will address the Kiwanis Club there.

The Minnesota Underwriters Association and the Blue Goose have cooperated in providing Christmas boxes for 21 members in service.

R. W. Doe, vice-president Safeway Stores, addressed the San Francisco Blue Goose on "Objectives for Good Citizens."

## CHICAGO

### OTHER NEW PREMIUM FILINGS

Many additional companies have filed with the Chicago city controller's office their net fire premium figures for the 12 months ended June 30. The figures compared to 1942 and 1943 are:

| Stock Companies        | 1944    | 1943    | 1942      |
|------------------------|---------|---------|-----------|
| Hanover .....          | \$7,476 | \$9,792 | \$100,552 |
| Southern .....         | 2,972   | 1,422   | 93        |
| West. Assur. ....      | 16,922  | 28,443  | 25,120    |
| Westchester .....      | 118,856 | 124,168 | 129,322   |
| Richmond .....         | 29,721  | 26,786  | 23,623    |
| Br. Amer. ....         | 12,285  | 18,587  | 1,723     |
| Allemania .....        | 27,552  | 27,224  | 28,229    |
| Netherlands .....      | 24,496  | 19,372  | 24,327    |
| Service Fire .....     | 1,301   | 241     | 6,797     |
| Scot. Un. & Natl. .... | 72,523  | 75,592  | 69,871    |
| Amer. Un. ....         | 124,659 | 112,767 | 110,266   |
| Cent. Un. ....         | 22,202  | 35,229  | 34,130    |
| Standard, Conn. ....   | 103,961 | 95,227  | 101,864   |
| Security Nat. ....     | 15,653  | 1,831   | .....     |
| Patrol .....           | 27,680  | 20,341  | 26,242    |
| Paramount .....        | 89,580  | 84,128  | 79,923    |
| Georgia Home .....     | 21,535  | 24,712  | 30,375    |
| Homestead .....        | 25,342  | 21,694  | 16,964    |
| Gibral. F. & M. ....   | 18,683  | 12,763  | 15,510    |
| Paul Revere .....      | 12,543  | 67,180  | 45,364    |
| New Brunswick .....    | 62,294  | 76,400  | 63,058    |
| City of N. Y. ....     | 66,785  | 79,701  | 57,729    |
| Franklin .....         | 96,992  | 84,732  | 112,341   |
| Natl. Lib. ....        | 171,303 | 157,933 | 165,422   |
| Balt. Amer. ....       | 94,260  | 82,232  | 70,617    |
| Albany .....           | 23,767  | 20,537  | 22,250    |
| Reliable, O. ....      | 13,888  | 15,180  | 14,636    |
| Homeland .....         | 49,076  | 39,631  | 54,928    |
| Pa. Fire .....         | 185,367 | 196,913 | 139,888   |
| Mercantile .....       | 100,571 | 102,965 | 80,180    |
| No. Br. & Merc. ....   | 158,844 | 234,880 | 192,277   |
| Jersey .....           | 50,277  | 55,687  | 72,271    |
| Bank & Ship .....      | 53,506  | 61,091  | 64,520    |
| Pacific .....          | 92,069  | 104,071 | 91,487    |
| Agricult. ....         | 67,235  | 89,965  | 86,332    |
| East & West .....      | 37,646  | 36,341  | 27,845    |
| Norwich Union .....    | 76,561  | 90,186  | 65,535    |
| Earle Fire, N. Y. .... | 55,206  | 49,497  | 46,562    |
| Fidel. & Guar. ....    | 243,862 | 252,859 | 197,058   |
| Amer. Auto. ....       | 35,588  | 33,895  | 35,253    |

### Mutuals

|                      |          |          |           |
|----------------------|----------|----------|-----------|
| Nat. Retailers ..... | \$79,167 | \$77,090 | \$124,557 |
| West Bend .....      | 26,557   | 10,748   | 6,913     |

### VICKERY 40-YEAR MAN

Earle B. Vickery, secretary and Cook county manager of America Fore, celebrated his 40th anniversary of continuous connection with Niagara Fire. The officers of the western department of America Fore tendered him a luncheon at which E. A. Henne, vice-president, presided. Mr. Vickery received many floral bouquets, telephone calls and let-

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, Oct. 9, 1944.

|                        | Par   | Div.  | Bid    | Asked  |
|------------------------|-------|-------|--------|--------|
| Aetna Cas. ....        | 10    | 5.00* | 133    | 137    |
| Aetna Fire ....        | 10    | 1.80* | 50     | 52     |
| Aetna Life ....        | 10    | 1.40* | 39     | 40 1/2 |
| Agricultural .....     | 25    | 3.25* | 72     | 74     |
| Amer. Alliance .....   | 10    | 1.05* | 22     | 23     |
| Amer. Cas. ....        | 10    | .60   | 11 1/2 | 12 1/2 |
| Amer. Equitable .....  | 5     | 1.00  | 18     | 19     |
| Amer. Home .....       | 10    | .60*  | 10 1/2 | 12     |
| Amer. (N. J.) .....    | 2.50  | .60*  | 14 1/2 | 15 1/2 |
| Amer. Surety .....     | 25    | 2.50  | 57     | 59     |
| Balt. Amer. ....       | 2.50  | .30*  | 6 1/2  | 6 3/4  |
| Boston .....           | 100   | 21.00 | 590    | 610    |
| Camden Fire ....       | 5     | 1.00  | 21 1/2 | 22 1/2 |
| Contl. Cas. ....       | 5     | 1.60* | 42     | 44     |
| Contl. N. Y. ....      | 2.50  | 2.00* | 48     | 50     |
| Fidelity-Phen. ....    | 2.50  | 2.20* | 49     | 51     |
| Fire Assn. ....        | 10    | 2.50* | 58     | 60     |
| Firemen's (N.Y.) ..... | 5     | .40   | 12     | 13     |
| Fireman's Fund .....   | 10    | 3.00  | 90     | 92     |
| Franklin Fire .....    | 5     | 1.00  | 23 1/2 | 25     |
| Glens Falls .....      | 5     | 1.85* | 42 1/2 | 44 1/2 |
| Globe & Repub. ....    | 5     | .50   | 8 1/2  | 9 1/2  |
| Gt. Amer. Fire .....   | 5     | 1.20* | 27     | 28     |
| Hanover Fire .....     | 10    | 1.20  | 25 1/2 | 26 1/2 |
| Hartford Fire .....    | 10    | 2.50* | 98     | 100    |
| Home (N. Y.) .....     | 5     | 1.20  | 27     | 28 1/2 |
| Ins. Co. of N. A. .... | 10    | 3.00* | 86     | 88     |
| Maryland Cas. ....     | 1     | .80   | 8      | 9      |
| Mass. Bonding .....    | 12.50 | 3.50  | 68     | 70     |
| Natl. Cas. ....        | 10    | 1.25* | 27 1/2 | 28 1/2 |
| Natl. Fire .....       | 10    | 2.00  | 57     | 59     |
| Natl. Liberty .....    | 2     | .30*  | 6 1/4  | 6 3/4  |
| Natl. Un. Fire .....   | 20    | 5.00* | 165    | 169    |
| New Amst. Cas. ....    | 2     | 1.00  | 26     | 27     |
| New Hamp. ....         | 10    | 1.80* | 45     | 47     |
| North River .....      | 2.50  | 1.00  | 22     | 23 1/4 |
| Ohio Cas. ....         | 5     | .80   | 23     | 24 1/2 |
| Phoenix, Conn. ....    | 10    | 3.00* | 81     | 83     |
| Preferred Accl. ....   | 5     | 1.00* | 13     | 14     |
| Prov. Wash. ....       | 10    | 1.40* | 34     | 36     |
| St. Paul F. & M. ....  | 12.50 | 2.00* | 69     | 71     |
| Security, Conn. ....   | 10    | 1.40  | 33     | 35     |
| Sprgld. F. & M. ....   | 25    | 4.75* | 121    | 125    |
| Standard Accl. ....    | 10    | 2.50  | 58     | 60     |
| Travelers .....        | 100   | 16.00 | 530    | 540    |
| U. S. F. & G. ....     | 10    | 1.50* | 36 1/2 | 38     |
| U. S. Fire .....       | 4     | 2.00  | 47     | 49     |

ters. He began in the old western department as reinsurance clerk at the time that I. S. Blackwelder was manager and W. L. Steele, assistant manager. He later became Cook county special agent, then Cook county manager, and when America Fore took over Niagara in 1916 he was appointed Cook county manager of the entire America Fore group.

### W. W. HAMILTON TALKS

W. W. Hamilton, manager of the Chicago Board, spoke Tuesday on fire prevention at a joint luncheon of the Rotary and Kiwanis clubs of Alton, Ill.

### FAVORS DAY OF PRAYER

At a reunion of Rainbow Division Veterans in Chicago a resolution was adopted recommending that no public demonstration be held following the collapse of Germany and that the day be devoted to prayer. Robert R. Reno, Chicago manager Equitable Society, the retiring president, was elected honorary president.

### Boff with Strouse Agency

Henry Boff has been appointed head of the fire department of the Fred W. Strouse & Co. agency of Chicago. He is an experienced man in the line. His last connection was with Cloyd, Gielow & Dudley. He replaces Harry T. Johnson.

Mr. Strouse is in the army, serving in the southwest Pacific.

American Aviation & General has been licensed in California. Jack S. Heidelberg of the General Agencies of New York is named as general agent.

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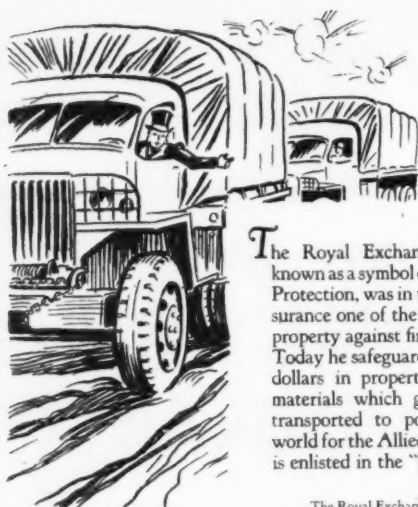
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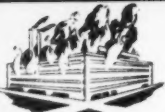
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## Supreme Court Denies Rehearing

(CONTINUED FROM PAGE 5)

ance from the commerce clause. Such a project was eloquently advocated by the stock fire and casualty groups and was seconded by Leroy A. Lincoln, president of Metropolitan Life, as chairman of the life insurance committees.

Commissioner Harrington of Massachusetts, chairman of the commissioners interested committee, in addressing a forum on the question at the meeting of the American Life Convention at Chicago, stated that the matter of a constitutional amendment was then an academic question. He observed that it was not included as a recommendation in the commissioners statement of policy but was merely alluded to as a possibility in the residual portion of the report.

E. C. Stone, U. S. manager of Employers Liability, who made the major plea for a constitutional amendment, contended that if a rehearing and reversal could not be obtained, the only other way to restore the situation as it existed prior to the Supreme Court decision was by way of a constitutional amendment. The denial of a rehearing will now bring this question of a constitutional amendment more prominently to the fore.

Although Mr. Lincoln endorsed the idea of a constitutional amendment, two members of the joint life insurance committee—Claris Adams, president of Ohio State Life, and A. J. McAndless, president of Lincoln National Life, expressed opposition, mainly on the ground that legislative detail doesn't belong in the constitution. A number of other life insurance leaders are expressing pronounced opposition to the proposal. However, the idea has progressed strongly since it was originally advanced. At first it was regarded as almost a crackpot notion, but it is now being earnestly advocated by important segments of the industry.

As the situation stands now, it is learned at the court clerk's office that the court mandate in the S.E.U.A. case was to go down to the federal district court in Atlanta without delay, "probably in a couple of days." The court rule under which a mandate is sent down 25 days after a decision does not hold in case of rehearing denial, it was stated.

At the Department of Justice anti-trust division the expectation is voiced that the S.E.U.A. case will be reinstated on the calendar of the court at Atlanta after receipt of the mandate. There, it is said, the case will take the status of "any other anti-trust case."

Reinstatement would be followed by trial of the case, in the ordinary course of events. In quarters ordinarily well informed, a civil suit has been expected ultimately, seeking an injunction decree.

The battle of the Supreme Court may be over, so far as the Southeastern Underwriters Association is concerned, that court having on Monday denied the S.E.U.A. petition for rehearing, supported by attorneys general of more than 40 states.

### To Discuss La Guardia Plan

NEW YORK—The Risk Research Institute will sponsor a round-table discussion of Mayor La Guardia's medical expense plan at its Oct. 26 meeting. The speakers are Winslow Carlton, executive director Group Health Cooperative and temporary secretary of the organizing committee of Health Insurance Plan of Greater New York; Henry Reichgott, group underwriter of Equitable Society, and Frank Vandyk, vice-president Associated Hospital Service.

### New La. Fire Policy Jan. 1

A new fire policy becomes effective in Louisiana Jan. 1, 1945. This is the new New York policy except for four minor changes, and was provided for by the 1944 legislature.

against S.E.U.A. by consent or otherwise, unless the legislative situation in Congress or the political situation, particularly defeat of the Roosevelt administration, results in suspension of departmental action or a change in its policy.

### Attitude of Justice Department

A spokesman for the department asked by THE NATIONAL UNDERWRITER correspondent whether the attorney general had anything to say regarding trial of the S.E.U.A. case or his future plans, stated that speaking for the department in general the "present" plan is to go ahead with trial of the case, which will go on the calendar and be subject of procedure "like any other case."

The spokesman had no comment regarding possible civil proceedings or a consent decree. He pointed out that the Supreme Court denial of rehearing is "final validation of the indictment" against S.E.U.A.

Meanwhile, there are rumors of impending government action against other insurance groups under the anti-trust law. "Interesting," was the only comment at the Department of Justice.

It is recalled that last year the department was investigating groups in New York and on the Pacific Coast. More recently the Civil Aeronautics Board had much to say about aviation groups' alleged activities, practices and connections.

On the other hand, Attorney General Biddle indicated to the Senate judiciary committee his department did not have in mind criminal prosecution of any insurance interests outside of S.E.U.A.

### Expect Action in Senate

The Supreme Court action again transfers the scene of the battle of insurance to the Senate. When Congress comes back after the election administration officials expect an attempt will be made to get Senate action on the Walter states' rights bill.

However, opponents of the bill say they expect a tough fight will be made to prevent its passage. They report that opposition senators include, besides O'Mahoney, Pepper, Florida; Kilgore, West Virginia; Wheeler, Montana, Democrats; Shipstead, Minnesota; Walgren, Washington, Republicans; and LaFollette, Wisconsin, Progressive. Several of these are noted two-listed an-

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tagonists likely to cause trouble for any measure to which they may be opposed.

Government people expect ideas and recommendations of state insurance commissioners to be presented in debate, including the Garrison proposal from California, if the Senate takes up the Walter bill, and some of them to be offered by way of amendment or substitute.

The Garrison draft bill, reportedly more or less satisfactory to O'Mahoney as a compromise, administration officials characterize as a middle ground measure which they say stock fire interests will not accept "because it does not take S.E.U.A. out of the anti-trust prosecution."

#### SPEEDY ACTION NEEDED

NEW YORK—The Supreme Court's denying of the S.E.U.A. petition for rehearing has emphasized the urgent need of getting the speediest possible action on legislation in Congress that will eliminate insofar as possible the confusion that has faced the companies since the court first gave its decision.

If the court had consented to a rehearing there might have been some justification for proceeding with less haste in getting the needed legislation.

Executives here point out that the Justice Department has still to prove the facts set forth in the indictment and that even if a jury accepts the government's evidence the court still may hold that the anti-trust laws have not been violated.

#### New Home Group Directors

Harold H. Helm, vice-president of Chemical Bank & Trust Co., New York, has been elected a director of Home.

Henry C. Brunie, chairman and president of Empire Trust Co., was elected a director of City of New York.

### Rate Law to Be Sought in Iowa, Fischer Predicts

DES MOINES—Speaking before the Iowa Blue Goose, Commissioner Fischer described Iowa as especially vulnerable to the possible threat of federal supervision because it is one of the few states with no state regulation of rates. He discussed briefly the supreme court decision on insurance and the prospects for legislation in Iowa. He said the insurance industry "got along pretty well" under state supervision although there had been a few abuses.

He said he is sure a proposed rate law will be introduced at the next session of the legislature along with a uniform fire policy measure and possibly an agents qualification bill. On the agents qualification bill, he said he was neither sponsoring it nor opposing it.

Mr. Fischer said his department has received numerous requests for the new broad form dwelling policy but that so far none had been submitted by the companies for approval.

#### Honor 50-Year Agent

William B. Baum, founder of the W. B. Baum & Son agency, Saginaw, Mich., was guest of honor at a dinner celebrating 50 years of continuous representation of Franklin Fire and Northern of England, only remaining companies that were in the agency when it started in 1894. Hosts at the dinner were State Agent J. P. O'Brien and Special Agent R. E. Farrer of Franklin and State Agent L. Irving McKay of Northern.

Lt. J. W. Starr, secretary of Kansas City F. & M. and vice-president of the R. B. Jones & Sons agency is now at a large naval air station in Hawaii, where he supervises placing several thousand pounds of food on planes daily.

### Grants Review in Case Involving Extraterritoriality

WASHINGTON—Besides denying the Southeastern Underwriters Association petition for rehearing, the Supreme Court on Monday cleaned up a number of other pending insurance cases by denying petitions for certiorari seeking review of lower courts' decisions.

In Docket 115, however, State Farm Mutual Automobile vs. Duel, the court noted "probable jurisdiction," which is stated equivalent to granting review. This case involves the issue arising as result of the S.E.U.A. decision whether a Wisconsin requirement that the company post as reserve half of the sum it collects in membership fees in states other than Wisconsin, unduly burdens interstate commerce in insurance. A decision on this point may prove to be highly significant in its effect upon extra-territorial legislation and rulings.

Denied by the court were petitions for certiorari and review of other insurance decisions in the following cases:

No. 114, American Mutual Liability vs. Ailer; 119, Casey vs. John Hancock Mutual Life; 138, Graybar Electric Co., vs. New Amsterdam Casualty; 175, Lincoln National Life vs. Custer; 228, Sun Life Assurance vs. Bull; 254, Northwestern Mutual Fire vs. National Labor Relations Board; 280, Kortz vs. Guardian Life; 292, Mutual Fire of Germantown vs. United States; 293, Mutual Benefit Health & Accident vs. United Casualty.

#### Iverson Resigns Executive Post with Century Group

D. Neal Iverson has resigned as assistant United States manager of Century and Pacific Coast Fire. Until he announces his future plans he will continue to make his headquarters with the Century group.

#### Scheufler to Speak at Meeting of Ohio Agents

Theodore M. Gray, executive secretary of the Ohio Association of Insurance Agents, has announced that Superintendent Scheufler of Missouri, chairman of the executive committee of the National Association of Insurance Commissioners, will be one of the speakers at the Ohio association's annual meeting in Columbus Oct. 23-24. He will talk at the luncheon Tuesday.

Clayton G. Hale of Cleveland, already listed as one of the speakers, will present "A Thumbnail Review of Current Problems." Arthur E. Benson of Ohio Casualty also is on the program.

#### Federal, Vigilant at Mid-Year

The semi-annual report of Federal and Vigilant shows a consolidated net premium income of \$4,314,505, compared with \$4,284,083 for the first half of 1943. Net underwriting income amounted to \$453,729, and compares with \$436,493 reported in the 1943 period. Net investment income was \$278,268, against \$274,083. Balance carried to surplus amounted to \$736,338, compared with \$680,029 for the first six months of 1943.

The report shows surplus at June 30, of \$14,589,366, against \$13,821,545 in the first half of last year.

The company has more than \$25 million in invested assets and over \$3 million in cash, with premiums receivable amounting to \$1,800,000. The value of common stocks is up \$1 million as compared with the last year end.

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## Ask Voice in Rule and Form Changes

(CONTINUED FROM PAGE 6)

William J. Welsh of Kansas City suggested that the matter be presented to the National association at the annual meeting in Milwaukee.

A resolution was adopted expressing the appreciation of the association to J. W. Rodger, St. Louis, who recently retired as executive secretary after many years of service.

Basil U. Sparlin, Springfield, who has been state director during the past year and is a former president sent the convention a letter stating that due to the press of business he would be unable to carry on the association work. The Missouri body regrets Mr. Sparlin's necessity of withdrawing and a resolution was passed expressing the grati-

tude of the members to Mr. Sparlin for his efforts during past years.

At the executive committee meeting it was announced that an agreement had been approved whereby the St. Louis Board, the Kansas City association and the outside boards are now actually on the graded dues plan.

### Superintendent Scheufler Speaks

George D. Clayton, Jr., Hannibal, retiring president, presided at the meeting.

Superintendent Scheufler spoke briefly. He extended greetings and expressed the hope that the agents would not hesitate to call on his department for any assistance needed and expressed

his appreciation of the fine cooperative spirit which existed.

Wallace Rodgers, executive assistant of the National association, spoke on the public relations program of the body. He brought to the agents much valuable and helpful material to assist in the furtherance of the national program.

Mr. Rodgers stated Missouri is the 23rd state he has visited since May and that the public relations program is well received everywhere.

### Value of Public Relations Work

He suggested that many state associations, local boards and local agencies do good public relations work. Others who have not paid much attention to it will find new inspiration, prestige and public understanding of insurance in such effort. For the individual agency, it means wider personal influence, better understanding of his contribution to his community and his place in it, and a better understanding of insurance principles and practices by the public, he said.

Carl Matz, Kansas City, attorney member of the firm of Langworthy, Matz & Linde, reviewed the recent S.E.U.A. decision. Mr. Matz is insurance counsel of the Insurance Agents Association of Kansas City. He suggested that it is still an open question whether agents' associations come under the ban of the Sherman anti-trust act as a result of the Supreme Court decision.

The report of the treasurer, O. D. Evans, St. Louis, showed that the finances of the association are in good order.

President Clayton announced that there are now 400 members in the state association. He said the success of the organization depends on a much stronger and active membership. He complimented the field men for their assistance in securing new members.

### Gambrel's Career

Harry M. Gambrel, Kansas City, the new president, is president of the Kansas City association. He is head of the Gambrel-Stubbs Agency there, and is a general in the Missouri state guard. He is a former police commissioner of Kansas City. Recently he was awarded a cup by the American Legion for his outstanding work in civic affairs.

L. E. Bright, St. Louis, was chairman of the nominating committee, assisted by Cliff Johnson, Kansas City, and George F. King, Columbia. Mr. Gambrel headed the resolutions committee, with O. D. Evans, St. Louis, and Lorren W. Garlich, St. Joseph, members.

## Marine Men See Big Foreign Trade

(CONTINUED FROM PAGE 6)

ance being placed in continental European companies and with underwriters in the Far East and other places that were overrun by the Axis powers with shocking suddenness.

"Even the great English insurance market undoubtedly would have been insecure, to say the least, had Germany followed up Dunkirk with a successful invasion of Britain," he said. "While this seems a bit fantastic today we definitely know now that it was a very real threat in 1940. I think it can be said that in spite of what troubles we think we have had and have had, we never actually feared the invasion of our country and the consequent destruction of its institutions. So I say to you that you can eliminate one worry in the future by at least having your insurance protection in America. While we all hope this is the last war, let's be practical."

Another reason cited by Mr. Thorn for patronizing the American market is that the files of every marine insurance market, the American included, contain in one place a vast amount of informa-

tion pertaining to the nation's foreign trade, shipping, ship movements, and manufacturing facilities. Thus, for the public interest it is best to place insurance in the American market.

Touching on the increasing transportation of goods by air, Mr. Thorn said that for some time marine underwriters have been insuring airborne shipments, a large percentage of which has consisted of treasure and securities. He gave assurance that the marine market is prepared right now to grant the necessary coverages by airplane shipments and is quite alive to the necessity of fitting its methods of doing business to the changes that the speed of air transportation is bound to bring about in the future.

Mr. Thorn said that with the ending of the war it is likely that war risk insurance will still be carried as a routine matter but at very much reduced rates. The principal war risk after peace is definitely established will be the danger of ships hitting mines, which are bound to exist in some areas for considerable periods after a war such as this.

## Fire Prevention Week Observance

(CONTINUED FROM PAGE 7)

quests for speakers, all requests were met, N. J. Jones, secretary Oklahoma Fire Prevention Association, reports.

In Oklahoma City the fire department inaugurated a comprehensive program with talks before civic clubs and schools and a movie short at one of the leading theaters. These activities are being supplemented by inspection of down town business buildings with a special program for industrial plants, including demonstrations of handling fire extinguishers. On Friday, Oct. 13, every city fire station will hold an open house. At central station demonstrations will be presented on the use of equipment. To add color firemen will drive through the city in a hose wagon of the 1910 vintage.

### COX BUSY IN WICHITA

WICHITA—Wichita started off Fire Prevention Week with no fire alarm Sunday. On Monday, "Fire Prevention Day," Emmett T. Cox, Western Actuarial Bureau, Chicago, addressed three schools in the morning, the Blue Goose and Rotary Club at noon; directed the annual industrial fire protection clinic in the afternoon and then spoke over the radio twice before leaving for East St. Louis that evening.

Robert Elwell, Noble Mortgage Agency, general chairman of the Fire Prevention Week committee, was interviewed on the American Legion radio program. Trailers from Underwriters Laboratories are being used in the theaters. The annual committee meeting with representatives of the public and parochial schools was held with a round-table discussion on "How Fire Safety Can Be Better Presented in the Public Schools."

### KANSAS CITY OBSERVANCE

KANSAS CITY—R. D. McMillen, chairman of the fire prevention committee of the Insurance Agents' Association of Kansas City, has secured the cooperation of various trade groups in staging a Fire Prevention Week campaign here. A public demonstration of the Kansas City fire department has been arranged and public schools are presenting appropriate programs.

### STATE-WIDE PROGRAM IN TENN.

NASHVILLE—In its observance of Fire Prevention Week, Tennessee is showing unprecedented activity. In Knoxville, Monday was declared "F-Day" as the beginning of city-wide property inspection and cleanup of fire hazards. In Memphis and Shelby county, efforts of the women were concentrated through "city beautiful" groups in a city and countywide clean



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up of premises to remove fire hazards. In Chattanooga the American Legion in its community hall sponsored a "fire check show" in which the city's volunteer fire department, composed of more than 700, including 100 fire marshals in industrial plants, gave a demonstration. A parade and the usual educational program through schools and civic organizations featured Nashville's observance.

#### FIELD MEN ACTIVE

MINNEAPOLIS—Minnesota field men are active in Fire Prevention Week programs throughout the state. Frank Sather, St. Paul F. & M., spoke at Virginia; Carl Johnson, U.S. Fire, at Duluth; Edward Holloran, of Hartford Fire, and Paul Olinger, Connecticut Fire, at Faribault and John G. McHale, New York Underwriters, at Mankato.

#### "SAVE YOUR HOME" CAMPAIGN

RICHMOND—In observance of Fire Prevention Week, the fire prevention committee of Richmond, Va., headed by J. Davis Ewell, distributed thousands of placards which are displayed in Richmond offices and homes. Headed "Save Your Home," the cards outline safety rules.

## NEW YORK

#### INSURANCE DEWEY CLUB

An "Insurance Club for Dewey" has been organized in New York City, with Gustave R. Michelsen, chairman. Headquarters are at 84 William street ground floor, where literature, posters, buttons, etc., are available and where meetings will be held every day at noon commencing Oct. 16. Committee headquarters are under the direction of Helen B. Rooney and her assistants. M. I. Spooner is president of the executive committee.

#### SWISS RE NAMES PARKER-ALLSTON

Swiss Reinsurance has appointed Parker-Allston Associates, New York, as advertising counsel.

#### LIEBOWITZ HEADS JEWISH DRIVE

Charles Liebowitz of Charles Liebowitz & Co. is chairman of the general insurance division in the 1944 appeal of the New York Federation of Jewish Philanthropies benefiting 116 affiliated hospitals, welfare societies, and child care institutions. C. K. Whitehill, Whitehill agency; G. P. Frenkel, Frenkel & Co.; Milton Berson, Julius Finn & Co., and others will be associated with Mr. Liebowitz.

#### Recall Willkie's Prophetic Words on Insurance

The death of Wendell Willkie recalls his prophetic warning to the insurance business given during an address before the New York City Life Underwriters in 1935 when he was head of Commonwealth & Southern Utility Corporation, then in the new deal frying pan.

With characteristic vigor and informality, Mr. Willkie said: "It's my baby now but one of these days it'll be your baby."

#### To Hear Scheufler, Kirkpatrick

ST. LOUIS—Superintendent Scheufler of Missouri, chairman of the executive committee of the National Association of Insurance Commissioners, and A. L. Kirkpatrick, insurance editor of the Chicago Journal of Commerce, will speak at a luncheon meeting of the Insurance Board of St. Louis Oct. 17.

#### Coon Returns to Agency

Capt. Carlos Coon, in the quartermaster's department at Fort Sam Houston for four years, has been placed on the inactive list at his request and has returned to the management of the

## Navy Policy on Insurance Told

WASHINGTON—Navy policy has been similar to army policy for the past 2½ years with respect to the question of insurance of government property in process, navy officers say. In the case of property belonging to the navy, on which insurance is not required, it is stated, that department, in general, "certainly does not ask the contractor to be responsible for damages, whether it is his fault or not."

It was stated there are some restrictions, however, but having to do principally with failure of the navy contractor to comply with his contract. In some cases, exception to the above general rule is made with reference to wilful misconduct or lack of good faith.

If the navy asks the contractor not to carry insurance on navy property, he is declared to be relieved of the risk to that property.

Authoritative navy information is that the whole principle followed is to leave the contractor in the same position in which he was or would have been, had he been permitted to carry insurance covering damage to the property.

Under fixed-price contracts, however, it was pointed out, the contractor owns the product he is making until processing is finished and up to the point where the navy can accept the finished product. When the navy takes possession, then it becomes navy property.

Where the product is navy property produced under fixed price contract, it is stated, the navy requests the contractor not to carry insurance and not to include cost of insurance in the price of the article or the sum of the contract.

There have been cases, however, where such contractor has been unable to make delivery of finished products to the navy, due to its lack of storage space, unreadiness to order shipment to some point, or other reason.

In such instances, it is understood, the navy tells the contractor he should protect against certain risks until the navy is able to accept the product. While the price of an article produced under fixed price contract includes all costs, supposedly, navy officers say that if delays in delivery occur due to fault of the navy, then in such cases, the navy permits an added item in the contract price to cover insurance, storage and other expenses of contractor incident to the delay in delivery.

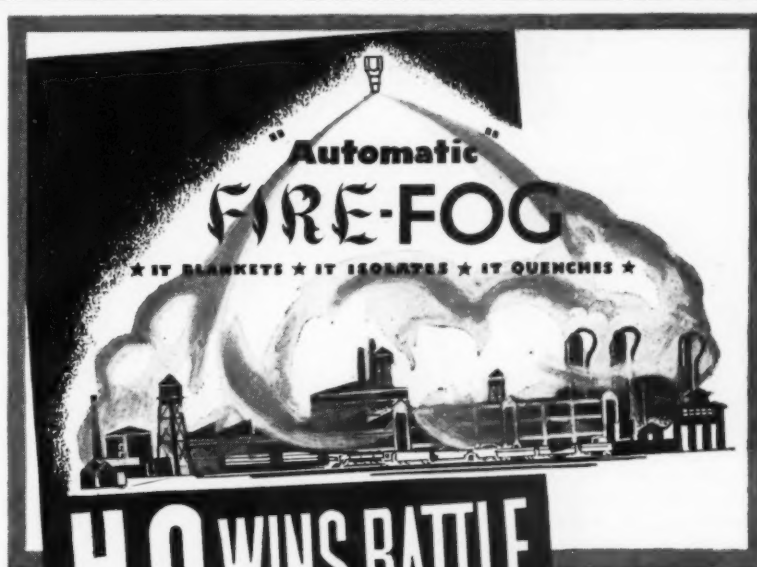
But if the navy does not advise the fixed price contractor to protect against risks pending delayed delivery, it is stated, then the navy takes the risk.

#### Bank Manual on Aircraft Financing to Be Out Soon

Issuance of its forthcoming manual covering the financing of aircraft sales to private owners has been held up by the American Bankers Association in order to clarify if possible the requirements for registration of aircraft to be used solely in intrastate flying. The A. B. A. believes that it may be necessary to register such aircraft with the state in which it is to be used, but the question is still unsettled. At present there is no machinery in the states for registering airplanes. The association hopes to be able to find out definitely whether the registration is necessary to protect the financing bank and if necessary what procedure should be followed by the bank.

The A. B. A. expects to have the manual out within a few weeks. Insurance requirements will cover all physical damage hazards but there will be no liability insurance requirements. These are in line with the banks' requirements on automobile financing.

Browning, Coon, White & French agency, San Antonio.



## H<sub>2</sub>O WINS BATTLE

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## EDITORIAL COMMENT

### Words Fail Us

When a public official as intelligent, experienced, widely respected and friendly to insurance as Governor Edge of New Jersey gets up and says about windstorm losses on shore-front properties that "hurricane insurance policies are so ambiguous and conflicting in phrasology that it is indicated that most of these policies will not be paid," insurance executives are entitled to utter assorted groans and to wonder if the English language is really adequate to the needs of their business, for if the governor was confused, what about the average layman's reaction?

The insurance contract specifically states that the insurance company shall not be liable for loss or damage caused "directly or indirectly by tidal wave, high water or overflow whether driven by wind or not." How is it possible to make it any clearer than that?

Perhaps there should be a sticker on the policy in large type worded along these lines: "Look, chum, you know where it says in the policy about wind damage? Well, we don't pay if waves wash your shack down. Come hell or high water, you're not insured against either one. It's got to be wind, see, like this—whuff—pushing right against the house. And don't think you'll get anywhere with that old argument about the waves being driven by the wind so the wind caused the wave damage. Because on that one the judges are strictly in our corner and we've got cases to prove it."

Or perhaps it would be even better to use the comic-strip technique, to illustrate right in the policy the various hazards covered and excluded. Dick Tracy fans could buy their insurance from the company that was able to sign up Chester Gould as its policy artist. For the first time people would read their insurance policies—the lowbrows doing so openly and happily and the intelligentsia furtively. As for the legal aspects of such unorthodox treatment, the wide divergence of court decisions in insurance matters indicates that it might be safer to rely on the language of the people than on the jargon of the court room.

But to return from the realm of fantasy, there is no doubt that reactions like that of Governor Edge point to a real problem. In the old days, before public relations had been discovered, the companies could have been content to rely on the clearly worded exclusions in their policies and not worry about how many of their insured found themselves on the losing end of a lawsuit. Today it

is different. The companies realize that if a man of Governor Edge's prominence can fail to understand what is insured and what is not insured what must be the reaction of the insured who needs only a dubious look from a claim adjuster to become convinced that all insurance companies are gyp outfits that make their money by finding loopholes to avoid the payment of just claims.

Many of those who heard Governor Edge at the annual meeting of the New Jersey Association of Insurance Agents were very sympathetic with his viewpoint although of course no one would go so far as to say that the companies should pay for damage clearly due to waves or high water. Guy T. Warfield, Jr., of Baltimore, member of the N.A. I.A. executive committee, who followed Governor Edge on the program, said that if the agents had been taken into consultation by the company executives on the drafting of policies "we wouldn't have the ambiguities in our policies such as Governor Edge criticized so rightly today."

In view of the clarity of the water damage exclusion it is a little difficult to see how advance conferences between company executives and the agents could have made that exclusion any clearer as long as it is the intention to exclude wave, high water and tide damage. Unfortunately, no matter how broad and comprehensive a policy is made, unless it is to say, "We'll pay you whenever you think you have a claim," there are going to be borderline cases, for there must be a line between what is covered and what is not covered.

Undoubtedly there are ambiguities in policies which could be eliminated by the type of advance conferences that Mr. Warfield suggested but no matter how clearly the line of demarcation is drawn between perils insured and perils not insured there are going to be disagreements. Possibly one result of the type of advance conferences which Mr. Warfield spoke of and which are already being held is that agents will become better informed as to the great importance of explaining to insured, especially those in situations where misunderstandings might be expected to occur, just what position the company will take in the event of various types of occurrences.

Not from a legal standpoint but purely from a public relations standpoint agents who placed insurance on ocean-front properties in New Jersey or anywhere else have been remiss if they failed to make it clear to insured that

damage done by ocean water was not covered in the policy. Governor Edge's complaints about the handling of claims along the Jersey coast is not going to cause any company to pay a windstorm claim on what is clearly water damage

but the widespread publicity given to his remarks may well have the effect of making the insurance business more careful to see that the buyer knows exactly where he will stand in the event of various types of loss.

## PERSONAL SIDE OF THE BUSINESS

**A. A. Klinko** is now managing editor of the "Insurance Advocate" of New York. He was formerly connected with the National Association of Insurance Agents and is a first rank man. C. S. Rosensweig is editor and the chief owner of the publication.

**W. B. Flickinger**, former associate western manager of North America, who is in West Suburban Hospital, 518 North Austin, Oak Park, Ill., is gradually failing. The first three months he seemed to gain some strength but during the last three weeks there is a noticeable decline in his condition. Mr. Flickinger is greatly beloved by the industry which he so faithfully served.

**Arthur M. O'Connell**, manager of Eureka-Security agency, is chairman of the Cincinnati War Chest section soliciting insurance and real estate offices. This is Mr. O'Connell's 10th year of chest campaigning, during which time he has made an outstanding record.

**Mrs. Jo Gable**, who has been with the Chicago Board eight years, since 1941 as secretary to the manager, has left for Hawaii where she will be associated with the army air service command.

**F. P. Samford**, president Liberty National Life of Birmingham, Ala., prominent in the industrial world, who is being spoken of as the possible next governor of Alabama, is a brother of **Yetta M. Samford**, well known Opelika, Ala., agent and immediate past president of the Alabama Association of Insurance Agents. Their grandfather, **W. J. Samford**, was a former Alabama governor, who died while in office.

**William J. McCord**, Kansas City manager of American Automobile, and **Mrs. Helen T. Kountz** of Pittsburgh were married in Winchester, Va.

**Don MacLennan**, veteran Minneapolis local agent and a past president of the Minneapolis Underwriters association, was guest of honor at an "open house" birthday anniversary party Sunday at the home of his son, **Don, Jr.**, who is with the Underwriters Inspection Bureau. Mr. MacLennan, Sr., has been in the business more than half a century and is now with the Conroy-MacLennan agency.

## DEATHS

**William J. Binkert**, 68, head of the W. J. Binkert & Son agency of Quincy, Ill., died at St. Mary hospital. He was born at Quincy. The agency was formed in 1882 by his father, **Anton Binkert**. **Donald S. Binkert**, son of William J., is connected with the agency.

**William J. Gilsdorf**, 69, retired Ohio state agent of North America, died at his home in Columbus. For 12 years Mr. Gilsdorf was in electrical installation work, having been in the electrical departments of the Pan-American Ex-

position in Buffalo in 1901 and the St. Louis World's Fair in 1903-4. After serving as city electrical inspector in Paducah, Ky., he joined the Kentucky Board of Underwriters in 1906. He was secretary of the Lexington Board from 1908-10 before joining the Kentucky Inspection Bureau in 1911. He went into field work with State of Pennsylvania in Kentucky and Tennessee in 1911. He served Commercial Union in the same states in 1913-14 and then was with Scottish Union & National from 1915-17. Following two years with Western Factory he was a local agent in Cleveland for three years before joining North America in 1921.

For a while he was in the local agency business with Paul Sommers and L. E. Falls in Cleveland.

Mr. Gilsdorf is survived by his wife, three sons, **Norman** and **Walter** of Medina, O., and **Lt. (j.g.) Albert Gilsdorf** of the navy, stationed in the south Pacific; and a daughter, **Mrs. Flora Jettinghoff** of Wichita, whose husband is with North America.

**H. Grant Buswell**, 79, for many years manager of the Chicago office of Home, died at his home in Owosso, Mich. He spent most of his business career with Home where he had been employed since 1885. He served in various positions in the home office and later was appointed manager at Chicago, serving until his retirement from active business at the beginning of 1930. He was the brother of **Frederick C. Buswell**, sixth president of Home. He was treasurer of the Chicago Board from 1906 to 1911, vice-president from 1911 to 1914, and president 1915 to 1917, three terms. Since retiring from active business affairs he had traveled widely and had spent most of his winters in Florida. He is survived by his widow, a son and three daughters. A nephew, **H. L. Buswell**, is a partner in the Chicago agency of **Lunde & Buswell**.

When **F. C. Buswell** was vice-president of Home, he was in charge of the central west and **H. G.** was his assistant. Home had in Chicago at first as supervising agents **Ducat & Lyon**, composed of **Gen. A. C. Ducat** and **George M. Lyon**. It decided to establish a branch office and appointed **H. G. Buswell** as manager. He had an important and delicate mission to perform as the opening of a branch office by so large a company caused apprehension. However, **H. G.** did a remarkable piece of work and no objection was made as to his administration.

**Lieut. L. B. Lynch, USNR**, 30, who was killed in an airplane crash near San Pedro, Cal., was buried with military honors in Birmingham, Mich. He was with U.S. Aviation Underwriters in New York.

**Col. Sam F. Woolard**, 79, retired Kansas state agent of the Commercial Union group, died at his home in Wichita.

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## GREETINGS



F. T. D. photo

To the National Association of Insurance Agents in this, its 49th year, our congratulations. By promoting friendly, fair, and intelligent competition, your organization has contributed much toward making the agency system typical of American free enterprise at its best. We, whose growth has been dependent upon this system, are grateful.

We pledge to our agents continued cooperation in building strong, successful agencies... continued interest in meeting the specific requirements of their clients. You will find us ready to cope with the changes in insurance practice that the post-war world will effect, as well as the immediate problems of the transition period.

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# Thomas and Brown at Agents' Helm

## Milwaukee Meeting Finds Association Well Unified Force

Moreton's Administration Constructive, Recall 1924 Milwaukee Resolution

By C. M. CARTWRIGHT

MILWAUKEE—The mood of the National Association of Insurance Agents meeting here is one of satisfaction with President F. A. Moreton's administration and a determination to fight to the last for the rights and the place of agents against governmental attacks on the business of insurance. In addition, there is great satisfaction that the Ohio Association of Insurance Agents has returned to the fold and re-affiliated itself with the national body.

The Delaware association has been reactivated and so for the first time the National association presents a united front of 48 active and united component units, plus the District of Columbia, Hawaii and Puerto Rico associations. J. L. Van Vechten of Akron, president Ohio association, was given a round of applause when he was introduced before taking his seat at the opening meeting of the national board of state directors and so was E. S. Philips, Wilmington, president and state director of the revived Delaware body.

### Moreton Was Fine President

President Moreton has been a constructive, hard working force in the development of the all-important public relations work of the National association. He has not sought personal publicity nor desired to be a dictator, but has listened to and coordinated the advice and influence of many prominent association members, both old hands and rising leaders. There is great confidence in his successor, W. Ray Thomas of Pittsburgh. Internally, the National association is in excellent shape, probably more harmoniously united than ever before.

### Principles of Operation

Mr. Moreton has tried to apply to the operation of the National association the same principles used in a successful insurance agency, and he has been responsible for many improvements in the New York office procedure.

The National association met in Milwaukee 20 years ago and passed the "Milwaukee resolution," which has been famous ever since, pledging the support of its members to companies which supported their principles. F. B. Ayer of Cleveland was chairman of the resolutions committee that year and that was the only resolution presented. Frank R. Bell, Charleston, W. Va., was president then and he has remained active during all the intervening years, now being state national director for West Virginia, and a leading figure in the constitutional revision of 1942. T. C. Moffatt, Newark, was elected president that year. Walter H. Bennett was then in his early years as secretary. While he no longer occupies that position, he is still counsel and was on hand for this meeting. Observers recall that E. J. Tapping of Milwaukee, who had been elected president in 1905 at Denver, was a prominent figure at the 1924 meeting. Particularly in the eye of members at

## B.D.O. Discusses Post-war Plans in Sales Pattern

Sales, Changes, Agency Management, Rural Agents' Problems

MILWAUKEE—The "Pattern for Production" of the Business Development Office, which has been an outstanding feature of the National Association of Insurance Agents meeting since 1941, was moved to Wednesday morning this year from its traditional spot before the first general session. With Milton W. Mays, director, in the chair, and Allan I. Wolff, Chicago, chairman of the B.D.O. advisory council launching the session, as usual, the pattern this year turned to post-war management, sales, changes and the special problems of rural agents.



M. W. Mays

H. C. Arnall, Newnan, Ga., chairman rural agents committee, discussed planning for rural agents. R. A. Duffus, Rochester, N. Y., talked on planning for sales. R. H. McLarry, Dallas, on planning for management and J. C. O'Connor, Chicago, editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, on planning for change.

### RURAL AGENTS

Mr. Arnall said that the first duty of an insurance agent is to join with and lead his community in creating opportunities for service men and women and skilled war workers after the war, to keep young people in the community, bring more business to town and more farm prosperity to the region. Every community should have a committee or group making a survey of types of business needed, opportunities which can be offered, farms which can be made attractive. Newcomers in the community should be welcomed. Mr. Arnall told of the results which rural agents have obtained by looking up and getting acquainted with newcomers. They are turning more specifically to insurance. Mr. Arnall said that most agents have not suffered from rate reductions during the past few years because war time conditions have increased the volume of business, but when things return to normal the agents' income will be affected seriously unless they plan and work. A most important needed change is uniformity in

the 1944 meeting are the three new members of the National association staff, each of whom is filling a definite need. Oscar H. West, the new Washington manager, is taking over the important job of adequate representation in the hectic national capital. John G. Mayer, the new publicity director, is doing a fine job in getting out material where and when it is needed. Wallace Rodgers is in the field for the public relations division. In a few months, he has visited almost half the states and has become the vital link in aiding state and local associations to tie themselves in with the national activities.

farm forms throughout the country. There should also be available attractive mortality insurance for stock on farms and for the herd which each farmer hopes to increase. Agents should study and work to improve themselves and should work with their competitors to raise the standards of their business. Insurance agents, like most business men, have gotten away from the old



H. C. ARNALL

idea that a competitor is the worst enemy and are working together in trade groups. Agents must be ready to welcome returning service men into the business, educate them, help them get started on the right road, represent the right carriers and conduct themselves in accordance with the code of ethics of the National Association.

To this effect, Mr. Arnall said, the rural agents committee of the National Association is preparing a pamphlet for countrywide distribution, dealing with the problems of agents and companies, with some sane advice to persons in the business. He said it should create a strong tie between companies and agents and he believes that not only the National Association but every company will want to put it into the hands of every agent in the country. He praised the work of Howard Bradshaw,

(CONTINUED ON PAGE 46)

## Association Turns Efforts to Public Relations Work

Outside Speakers Win Applause at Packed and Spirited Sessions

By JAMES C. O'CONNOR

MILWAUKEE — Focussing its attention almost without interruption on public relations and the vital problem of formulating and prosecuting plans for the defense and advancement of insurance agents in face of the serious political and economic threats of the post-war world, the National Association of Insurance Agents drew an attendance beyond every reasonable expectation in its 49th annual meeting here. The program, featuring a preponderance of speakers outside the insurance business emphasized all these points and sentiment of the members, on the convention floor, in meetings of the national board of state directors, in committee meetings and in informal discussion, showed primary interest in this dominant topic. Next to this, the most absorbing subject was the impending fight to capture financed automobile business.



W. R. Thomas

W. Ray Thomas of Pittsburgh, who has been a leader in the public relations program, was elected president, succeeding Fred A. Moreton, Salt Lake City, who won the applause of everyone for his capable handling of sessions and his constructive, business-like administration. Hunter Brown, Pensacola, Fla., was raised from the executive committee to the vice-presidency, without a flutter of opposition, and is in line for the presidency next year.

Guv T. Warfield, Jr., Baltimore, was reelected to the executive committee and W. Loring Ferguson, New Orleans, was elected to Mr. Brown's place on the committee. L. A. Grier, Spartanburg, S. C., was nominated for the executive committee, but declined to run, and the contest was between V. G. Henry, Wichita; A. R. Schorer, Kalamazoo, Mich., and Messrs. Warfield and Ferguson.

There was no contest for the presidency and vice-presidency. Mr. Brown's name was offered by S. J. Sugar, Washington, D. C., and seconded by virtually everyone in the room.

The other three members of the executive committee will be chosen by the four officers elected here, in accordance with the 1942 constitution. The present incumbents are A. S. Keys, Springfield, Ill.; G. M. Landes, Tulsa, and Harry Perk, Jr., Los Angeles.

### Johnson and McCabe on Final Session

The convention closes Wednesday afternoon, with two speakers carrying out the recurrent theme of the convention. Commissioner Newell Johnson of Minnesota, president National Association of Insurance Commissioners, is

(CONTINUED ON PAGE 44)

## Winners of National Association Awards

The annual awards of the National Association of Insurance Agents were made at the dinner Tuesday night as follows:

Sparlin Cup—to the state association which has rendered the most signal service to the American agency system during the past year—New Jersey.

Connecticut Association Trophy—to the state association making the best membership showing, including increases, low turnover and local board strength—Oklahoma.

The Woodworth Memorial for the member performing the most outstanding service for insurance during the past year was not awarded this year.



## OHIO REAFFILIATION MAKES NEW MEMBERSHIP PEAK

## Committees Report on Many Points

The committee reports of the National Association of Insurance Agents are always an interesting feature of the annual meeting, even though for several years they have not been read at one of the sessions. They are distributed at the start of the meeting and form the basis of much discussion and generally receive far more attention than under the old system. Many of the points developed in the reports are brought up at the committee meetings which precede the formal opening. This year several new committees added to the general interest.

The highlight of committee reports, perhaps the biggest news of the convention, was that membership has reached an all-time high of 18,745 mem-

American participation in post war international air conferences, and the large number of railroad, bus and transportation companies which have filed applications for feeder-pickup lines. He urged every aviation minded agent to join the National Aeronautic Association.

Mr. Main explained the group or pool system of writing aviation insurance and said that it was the only feasible system in a new line of risk where the spread is limited and there is an excessive catastrophe hazard. He urged agents to become familiar with aviation lines through the four aviation insurance groups and also through the aviation section of the National association study course.

operating surplus of \$8,000, although a deficit of \$10,000 had been expected. All state associations have paid their allocations in full. The executive committee has approved a budget of \$169,000 for the coming year, with a \$5,000 withdrawal from surplus to meet it, if necessary. The executive committee also approved raising the minimum dues under the state allocation formula from \$2.50 to \$3.

## BUSINESS DEVELOPMENT

Allan I. Wolff, Chicago, chairman Business Development Office advisory council, reported that the council itself

Milton W. Mays, had carried on its activities excellently. The council has several projects which have been under discussion for several years and the Insurance Executives Association has approved these plans, but has simply been unable to put them in effect at present. Also, because of war time conditions the B.D.O. omitted for the second successive year its annual supplement to "Facts and Comments Regarding Sound Insurance."

An important activity of the Business Development Office is the preparation of a booklet dealing with the new uniform dwelling and contents form, which seems on its way to almost universal acceptance after being recommended by the Insurance Executives Association last year. Because of local differences, a series of booklets for use in various states will be prepared, and several have already appeared. The B.D.O. is also cooperating with the rural agents committee of the National association in producing a book of sales helps for rural agents. Requests for the monthly series of sales helps have materially increased, more than 2,000 agents and field men now being on the regular mailing list, in addition to the wide circulation these bulletins have attained through state association publications.

Mr. Wolff pointed out that the rate reductions throughout the country mean a corresponding reduction in the commission income of agents and hence put upon the agent the responsibility of materially increasing his business and also reducing his office expenditures. To assist agents along these lines, the B.D.O. will soon embark upon a continuous study of the problems of agency management. Although deeply disappointed that the long awaited research department of the B.D.O. has not been formally established as yet, due to conditions beyond everybody's control, Mr. Wolff said that the council is still hopeful that a joint program of companies and agents on this subject will materialize, particularly since there are a number of matters in which the agents keenly desire an opportunity to continue their views.



L. F. WHELAN

ber agencies. L. F. Whelan, Greenwich, Conn., chairman of the committee, reported that the total gain was enhanced by the reaffiliation of 1,100 members of the Ohio association, one of the largest state associations in the country. However, the total gain since September, 1943, was 2,298, a very substantial and seldom achieved gain of the previously affiliated state associations.

## AVIATION

With the hope that agents as a whole would consider the aviation insurance field seriously, D. J. Main, Denver, chairman aviation committee, turned his report into a review of developments in the aviation field, as well as related insurance events. He pointed out the magnitude of the aircraft business at present, with production for 1944 estimated at \$30 billion, compared with \$4 billion for the largest car volume year of the automobile industry, but added that agents and companies should restrain their optimism on insurance until the industry is gauged again to build civilian commercial planes. An important test will occur, he said, when some 15,000 transport planes suitable for conversion are turned by the government back to private ownership.

Among the outstanding developments of the year, Mr. Main pointed out the Baruch report which urged preservation of free enterprise without government competition or subsidy, the protests of aircraft insurance interests against the Lea bill, which aimed to put the government into aircraft insurance, the argument over government claims that aviation insurance rates are too high and the reply of aircraft insurance interests, approval by the senate of

## INLAND MARINE

There is still room for much constructive development in inland marine underwriting, Hunter Brown, Pensacola, Fla., chairman inland marine committee, reported. The big obstacles are certain legal restrictions set up by the nation-wide definition of marine insurance, subscribed to by the National Association of Insurance Commissioners. During this disturbed period, Mr. Brown said, the committee feels that no radical departures from existing customs should be proposed, but long range thinking points more and more to liberal underwriting and broader coverages. The public and insurance commissioners are firmly convinced of this. Hence, Mr. Brown said, not too far in the future interested and influential agents in every state should be ready to approach their commissioners for "reasonable and justified amendments to the marine definition."

The committee at present has no specific problems and its relations with the companies have been most harmonious.

R. M. L. Carson, Glens Falls, N. Y., chairman finance committee, reported an



A. I. WOLFF

had been unable, due to war conditions, to function during the past year, but the Business Development Office, under



Standing—W. B. Calhoun, Milwaukee; G. W. Scott, New York, educational director. Sitting—A. S. Keys, Springfield, Ill.; G. M. Landes, Tulsa, at opening meeting of executive committee.

## FIRE PREVENTION

W. L. Ferguson, New Orleans, chairman fire prevention committee, reported that the National association should eventually publish, under its own name, a fire prevention manual to be distributed to state associations and local boards throughout the country. This should be a handbook for the direction of local campaigns. The association and its state and local groups should continue to urge cities to modernize their fire prevention ordinances and urge schools to use the textbooks and courses offered by the National Board of Fire Underwriters, should use the material of the various cooperating agencies and should work with chambers of commerce, local civic clubs, newspapers and radio stations.

Some progress has been made towards securing for the use of the public fire fighting equipment which will be available when civilian defense work is discontinued. This activity was approved by the state directors at Jackson, but Mr. Ferguson said that this will probably be a job for the National association's Washington representative, since this disposal will apparently be handled by the Treasury department. The other resolution adopted at Jackson urged that the public relations counsel outline a continuous fire prevention program, so that the committee could work throughout the entire year, rather

(CONTINUED ON PAGE 43)

## Finance Companies, Essay Contest Go Before Directors

**Zerzan's Project Revived:  
States Air Primary  
Problems at First Session**

MILWAUKEE—The national board of state directors of the National Association of Insurance Agents settled down to business Sunday afternoon and after a few preliminary matters were disposed of, the plan of asking each state representative to bring up the problems most acute before his state was followed and proved very popular. Nearly every state was represented when W. B. Calhoun, Milwaukee, retiring state national director for Wisconsin, opened by leading the singing of "America."

After some committees were appointed and several committee reports were disposed of routinely, I. R. Zerzan, Omaha, was called upon to report for the accident prevention committee. He referred to the action of the directors at Jackson last winter in tabling the recommendation that the National association finance and promote an essay contest on accident prevention among high school students, after first approving it, because of a question of how it could be financed. He also said that, failing to get national support, the Nebraska association sponsored it on a statewide basis, with excellent results.

H. D. Wolff, Easton, Pa., spoke heatedly in favor of the project, saying that Mr. Zerzan's project had not received proper treatment, and the directors passed a motion to take the matter off the table.

President F. A. Moreton explained that there was a serious question of whether the project could be financed out of general funds or out of the public relations fund and the officers were afraid to deplete the public relations fund for any enterprise, no matter how meritorious; while at that time they expected an operating deficit, which since turned into a surplus, because of increased membership.

With Van Howell, Fayetteville, Ark., temporarily in the chair, the directors appointed a committee to study the minutes of the executive committee meetings. The members are V. G. Henry, Wichita, chairman; F. R. Bell, Charleston, W. Va., and W. B. Calhoun, Milwaukee.

N. A. Chrisman, Pikeville, Ky., was appointed chairman of the resolutions committee. W. H. Stewart, Chicago, was appointed chairman of a special committee to study a new basis of allocating national dues, which, if adopted, will affect 10 states.

After a discussion on whether the Wednesday meeting to consider resolutions should be open only to state directors, the board voted to make it executive, but open to all members.

The main feature was the opportunity given each state director to report and bring any subject up for discussion. Agency qualification laws were often mentioned. The indiscriminate licensing of auto dealers was also repeatedly mentioned as a current problem and a problem for the future.

Agents want broadening of forms, and more of them rather than rate reductions, C. W. Schoelzel, Jr., Denver, said. The broader forms will pay more losses and then when reduced rates are suggested agents have a better defense.

The agency qualification law of  
(CONTINUED ON PAGE 47)



Vice-president W. R. Thomas calls the first meeting of the executive committee to order, with President F. B. Moreton at his side. Standing, L. C. Hilgemann, Milwaukee; G. T. Warfield, Baltimore; and Hunter Brown, Pensacola, Fla.

## New Dwelling Form on Pan at Territorial Conferences

MILWAUKEE—The four regional conferences of state directors and interested agents at the National Association of Insurance Agents meeting here Monday morning drew substantial turnouts and animated discussions of problems in each section of the country.

Perhaps more than in the past, the matters discussed showed considerable uniformity, with the new dwelling and contents form and licensing of automo-

mobile additional premium. Copies of the resolution will be sent to the Southeastern Underwriters Association and the Insurance Executives Association.

Another resolution urged early adoption of a use and occupancy reporting form and asked that the southeastern agents conference be given an opportunity to discuss the form before final publication. The southeastern group also asked for an increase of the present \$250 limitation in the personal property floater on unscheduled jewelry and furs. The group also discussed the 100% increase of use and occupancy rates to cover priorities losses and urged that companies be ready to remove this as soon as the war emergency subsides.

### PACIFIC COAST

The Pacific Coast group got off to a late start, since C. W. Carpenter, Petaluma, Cal., chairman, and F. C. Colridge, Oakland, had the bad luck of being on one section of a train which was 16 hours late, though several colleagues were on another section which arrived reasonably on time. The group made up for its late start by running far later than any other.

A. W. White, Seattle, was elected chairman, A. E. Burgener, Salt Lake City, vice-chairman, F. C. Reed, Portland, Ore., secretary-treasurer, and Mr. Colridge continued as executive secretary.

The new dwelling and contents form came in for heavy attention. Most of those present were in favor of its general principles and cited several cases of its helping them with assured, but all agreed that it is ambiguous and cum-

(CONTINUED ON PAGE 47)

## Wisconsin Agents Reelect Rowland, Settle Differences

**Rock County Group  
Expected to Return,  
Meeting Abbreviated**

### OFFICERS ELECTED

President—John S. Rowland, Racine.  
Vice-presidents—F. L. Conroy, Oshkosh; Robert Pittelkow, Milwaukee; John Carney, Eau Claire.  
Treasurer—A. A. Veitenhaus, Milwaukee.  
Secretary—Hilda L. Rogers, Milwaukee.  
State national director—Grover Miller, Racine.

By ROY W. LANDSTROM

MILWAUKEE—The dove of peace hovered over the Wisconsin Association of Insurance Agents at the abbreviated meeting held here Monday just before the opening of the National Association

of Insurance Agents sessions. All officers were reelected with the exception of State National Director William B. Calhoun, Milwaukee, who asked to be relieved of his duties. Grover Miller of Racine, past Wisconsin president, was elected in his place.

For several years there has been an undercurrent of dissatisfaction brewing in the association, which culminated in the withdrawal of the Rock County board last year. Every effort is being made to iron out the differences and both sides are showing fine spirit in arriving at a satisfactory solution. The meeting was necessarily crowded into a one day affair to give members the benefit of the National Association sessions.

The Rock County board returned to the Wisconsin Association of Insurance Agents, on a tentative basis, following the action taken by the Wisconsin association at its meeting Monday. The re-affiliation is with the understanding that a full time secretary will be appointed in the near future.

W. B. ("Bill") Calhoun, who retired as state national director, is a familiar figure at both Wisconsin and National association meetings. He was national president in 1931, and has served the Wisconsin association as president as well. He is the perennial song leader at national conventions. He is a constructive, hard-working leader, with a host of friends throughout the country.

The Wisconsin agents voted unanimously to increase their dues. Primarily there were two definite reasons. More money is needed for legislative activities and with the hiring of a paid secretary in the offing the association felt its income should be increased.

### Public Relations Forum

At the afternoon session, members of the public relations staff of the National Associates conducted a public relations forum. Speakers, who were limited to five minutes each, were: Oscar H. West, Washington manager; Wade Fetzner, Jr., Chicago, chairman public re-

(CONTINUED ON PAGE 22)



John S. Rowland



H. J. HAAS

bile dealers coming in for attention at each session.

The southeastern group elected E. H. Moore, Birmingham, chairman to succeed H. J. Haas, Atlanta. H. P. North, Columbia, S. C., was chosen secretary and treasurer. The liberalization clause was a prime topic there and, after a thorough discussion, the group voted to endorse a clause automatically providing the benefits of any authorized endorsements or filed rules or regulations affecting the coverage, by statute or otherwise, extending the coverage with-



C. W. Carpenter



# Public Relations Forum Draws Crowd

## Outside Speakers Feature Tuesday Session

Following the custom so successfully established at Pittsburgh last year, the National Association of Insurance Agents devoted most of the Tuesday afternoon session to a forum on public relations, featuring three speakers from outside the business. Placing this feature just after the election of officers and just before the annual dinner brought one of the largest crowds of the meeting to this session.

Wade Fetzer, Jr., Chicago, chairman public relations committee, presided. Averell Broughton, New York, public relations counsel of the National association, spoke on "Progress Since Pittsburgh." The other speakers were all prominent business men outside insurance. H. D. Read, Princeton, N. J., vice-president Opinion Research Corporation, spoke on "The Dominant Factor—Public Opinion." A. H. Motley, New York, vice-president and publisher "American Magazine" on "The Publisher's Viewpoint" and W. A. Patter-

son, Chicago, president United Airlines, discussed "Statesmanship Needs in Business."

In his introductory remarks, Mr. Fetzer announced that recordings of the National Board news comment broadcasts would be played back at public relations headquarters for agents who have not heard them. He introduced Wallace Rodgers, executive assistant in the public relations division, and Oscar West, new Washington manager, who spoke briefly.

### BROUGHTON'S REPORT

Mr. Broughton said that the accomplishments of the public relations division since the Pittsburgh meeting are the organization of a small, but a highly useful home office staff, a modest program of advertising and preparation of material for state and local association

use. The great strength of the National association lies in its local membership and each member must realize that the responsibility in public relations matters rests upon him.

Emphasizing that "you cannot buy a public relations program" Mr. Broughton said that the plan is not "ballyhoo," but that the agents have gotten much constructive publicity in the past year. He said that some members of the association expressed their surprise and displeasure over being expected to do plenty of work in this connection, but that this is inevitable with any sound public relations program.

The National association has two great weaknesses from the viewpoint of efficient operation, Mr. Broughton said, but they are being overcome by the inherent soundness of the association. The first is the annual change in officers, local, state and national. There is no "indispensable man," but there are in-

dispensable ideas. It is a credit to the democracy of the National association that these ideas have been and will be carried on by succeeding officers. This is possible only because members are thoroughly grounded in the fundamentals from the time they first enter a local board.

The other problem is communication and contact. Mr. Broughton said that the executive groups do not meet often enough for efficiency. This can be overcome by regular travel on the part of the officers and the home office staff.

During the past year, the officers maintained excellent contact with state and local associations, and in Mr. Broughton's opinion the cost of doing this, no matter how great, is an expense which the association cannot afford to avoid. The officers have carried on their duties through a sense of responsibility to the members they represent, despite their serious loss of personal business time. Mr. Broughton was highly optimistic over the future of the public relations program, because the National association and its members are determined to put it over and have the qualities needed.

### PUBLIC IS KING

In the final analysis it is the public that gives the right to do business and lays down the fundamental rules by which business is conducted, Mr. Read declared in emphasizing the importance of public opinion. "If business is to gain acceptance for its philosophies and ideas, it must work in some fair relationship to the current mood of the people, and certainly in accord with the public's fundamental instincts and desires," he pointed out. Business has some basic ideas as to how society should be organized to gain a high standard of living for the American people and at the same time preserve liberty, Mr. Read said, summarizing them as follows:

1. Government should be umpire, not proprietor.
2. Competition is the best mechanism for social control.
3. Business' power of decision should not be taken away by boards or bureaus.
4. Economic productivity is the true key to social security.
5. Capital should be supplied by individuals, not by the state.
6. Taxes should not be so high as to discourage effort.
7. Society should pay liberal prices to the doers because they create wealth for all."

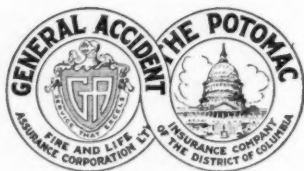
### Public Is Fair Minded

"It is well to keep one principle in mind in either measuring public opinion or in attempting to change it—people are often short on information, but they are rarely short on fair-mindedness. So when business has a message it wants to register with the public, if it tells that message in clear and understandable terms, with sincerity and conviction, you can have confidence that the people will appraise it fairly," Mr. Read emphasized.

The American people are not socialistic. There is much evidence that the public leans more toward a free enterprise solution of postwar problems than to a socialistic one. People still believe in private property; in opportunity to get ahead; in freedom of operating a business. There is strong desire among the people for peace and normalcy rather than for more revolution and reform.

Although most people have assumed for a long time that big business is ordinarily a negative symbol in the eyes of the public, actually there are evidences that bigness carries certain connotations with the public that are

(CONTINUED ON PAGE 41)



THE AGENCY SYSTEM is faced with problems unprecedented in the insurance business. With many agents and members of their organizations entering the armed forces of our country, there is a greater need for cooperation and friendly relations between agents and companies. The General Accident and Potomac organizations pledge the continuance of their efforts to maintain their friendly agency relationships which have contributed so much toward winning good will and building successful agencies.

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Fire and Life  
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J. B. ROBERTSON . . . PRESIDENT

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FOR THIRTY YEARS — A SERVICE  
THAT HAS BEEN SATISFACTORY  
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COMPANIES

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## Loose Talk Can Aid Enemy to Thwart Offensive

Army Officer Speaks at  
Banquet—Frowns on  
Peace Predictions

The annual dinner of the National Association of Insurance Agents Tuesday evening brought out an overflow crowd. In addition to the address of Maj. A. J. Stowe of the army intelligence department in Washington, the feature was the presentation of the three prize awards of the National association.

With our armed forces on the offensive, the enemy has had to redouble his espionage efforts, Maj. Stowe declared in warning against careless talk that may reveal valuable information to the enemy. "Silence on the part of every one of us was never so necessary as now and in the months to come," Major Stowe pointed out. "Only a few hundred people in various parts of the country and in varied occupations, each contributing his little bit of loose talk, can provide the enemy with all he needs—a jig-saw puzzle picture of our invasion plans.

"We have got to put out of our minds the idea that we, or any prophets among us, can predict the duration of the war. Such speculation does not advance our cause; it gets us nowhere.

## New Vice-president



HUNTER BROWN

Hunter Brown of Pensacola, Fla., the new vice-president of the National Association of Insurance Agents, was one of the leading figures in the movement for constitutional revision which culminated in the major changes at the Chicago convention in 1942. He was the first member elected to the execu-

(CONTINUED ON PAGE 45)

Besides it dissipates our needed energies. No way to sugar-coat war has ever been devised and we must reharden and rededicate ourselves to the business of winning this one."

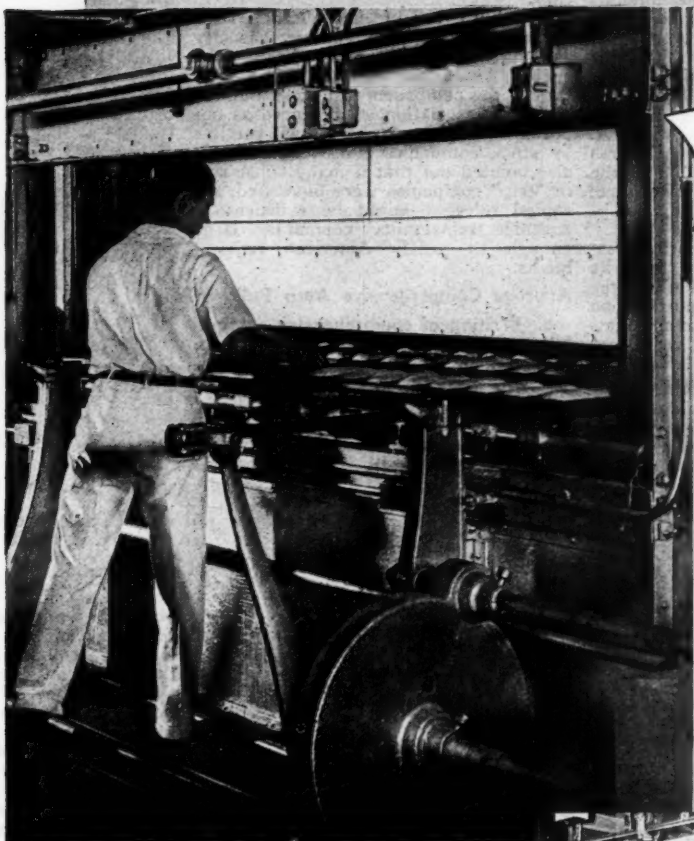
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**Pacific  
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# BUILDING AMERICA!



## Bakeries

In 1900 only 5% of the bread consumed in the U. S. was baked outside of the home. Today approximately 85% of it comes from America's modern bakeries.

The country's 30,000 bakeries employ over 250,000 people, and have an annual payroll of a quarter of a billion dollars—highest among all the food industries. In value of products used yearly (an estimated two billion dollars) American bakeries are second only to wholesale meat packing in the food industry field.

The expression, "Clean as a modern bakery," is a common figure of speech. Today the American baking industry represents the latest developments in machinery, production and distribution methods and sanitary handling.

## PROTECTING AMERICA

Through the ages, bread has been the basic food of soldiers—and under the present vitamin and mineral enrichment program, "enriched" flour and bread are playing an important part, not only on the fighting front but also by providing an ideal means for getting required nutritive value into the diet of civilians at home.

Insurance Protection, too, is "enriched" by activities which not only minimize the danger of damage to property by fire or other hazards but also safeguard human life by encouraging the use of all precautionary measures and equipment known to modern safety engineering.

Inquiries are invited regarding the extensive underwriting and service facilities of the Royal-Liverpool Group.



Westinghouse

Bread, the ideal companion to all foods, offers a war-time means of extending ration points, adding extra nutrition and cutting food costs.

## ROYAL-LIVERPOOL GROUP

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AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA



## Propose Brokers as Class of N.A.I.A. Members

MILWAUKEE—At the second session of the National Board of State Directors, considerable interest was shown in offering membership in the National Association of Insurance Agents to brokers, perhaps under some special class.

John O'Toole, St. Louis, brought up this question, pointing out that in several cities these producers are an important segment of the business and in many respects their problems are identical with those of agents. N. A. Chrisman, Pikeville, Ky., chairman resolutions committee and state director for Kentucky, said that a resolution to this effect had been offered his committee and would be discussed at the committee meeting. It is possible that this question may come before the convention Wednesday afternoon. No opposition was evident at the state directors meeting.

The St. Paul F. & M. presented the conventioners with a daily copy of the Chicago "Journal of Commerce."

## Broad Form Report Favors Most of Diemand Points

There was much interest in the report of the new broad forms committee of the National Association of Insurance Agents, which was appointed at the mid-year meeting at Jackson, with Guy T. Warfield, Jr., Baltimore, as chairman. The purpose of the committee was to confer with the committee of the National Association of Insurance Commissioners on broadening charter powers to permit multiple line writing by insurance companies.

In his report, Mr. Warfield reviewed the five points set up by the commissioners' committee, headed by J. A. Diemand, Philadelphia, president North America group, and the reaction of the agents' committee to them. They are:

### Foreign Underwriting

1. Authorization of fire, marine, casualty and bonding companies to write multiple line business outside of the United States. The agents' position on this point is that this is a company matter, but companies should not write contracts for foreign customers which are not available to domestic insurance buy-

ers. Mr. Warfield's committee felt that since American companies were developed with American capital, nothing should be undertaken in foreign fields which would jeopardize the structure and ability of the companies to meet their contractual obligations to Americans.

2. Transaction of multiple line reinsurance between fire, marine, casualty and bonding companies. Again, the agents' committee felt that this a matter for the companies to decide, but the National association is on record as opposed to reinsurance of mutual carriers by stock companies and vice versa. It also pointed out that if many subsidiary or "pup" companies were liquidated, the capital released might be sufficient to organize reinsurance companies large enough to satisfy American requirements.

### Approve Comprehensive Auto Policies

3. Writing of comprehensive automobile policies by all types of carriers. The agents' committee could see no reason why this should not be done in all

states, since 32 states now permit it specifically by statute and three more by departmental ruling.

4. Writing of the personal property floater by all types of carriers. The agents' committee took the position that this coverage should be available in all states and, since fire, marine, casualty and bonding companies now



G. T. WARFIELD, JR.

write this coverage in some states, there is no reason why this should not become country-wide.

5. Writing comprehensive aviation policies by fire, marine, casualty and bonding companies. Mr. Warfield's committee did not feel in a position to offer any comment on this point, since the subject is being studied by the aviation committee of the National association. It did point out, however, that there is a difference between broad form contracts and broadening present contracts and the agents feel that the latter can be done without departmental action in many cases.

Mr. Warfield reported that a number of other associations filed reports and that the Diemand committee, despite the opposition of the Insurance Executives Association, recommended favorably on each of the five points. The matter is now under consideration of the commissioners association and Mr. Warfield stated that the N.A.I.A. committee will not take any further action until invited by the commissioners or the Diemand committee or instructed to do so by the National association executive committee.

Interest in this subject was shown by the fact that two members of the committee, Mr. Warfield and G. M. Landes, Tulsa, are also members of the executive committee. The other members are R. A. Duffus, Rochester, N. Y., R. A. Sullivan, Boston, and F. R. Bell, Charleston, W. Va.

## Carter Praises New Factory Association

MILWAUKEE—At the opening session of the National Association of Insurance Agents here, George Carter, Detroit, who two years ago bitterly opposed the merger of the Western and Pacific Factory Insurance Associations with the eastern group, offered a resolution praising the operation of the new country-wide association.

Mr. Carter said that two years of observation had convinced him that the new organization is operating for the benefit of all assured, that the independence of the regional branches has been preserved and that he wished to correct his first impression and put the National association on record as approving the new system.

Frank T. Priest, Wichita, seconded the motion and it carried unanimously.

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PANY, LTD. • SAFEGUARD INSURANCE COMPANY OF NEW YORK  
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## Faith, Hope...and a Chance to Live!

Somewhere, deep in enemy territory, our captured soldiers wait out the duration. Herded in prison camps, the shining event in their routine is the periodic arrival of a link from home—the American Red Cross package.

Listen to the stories of exchanged prisoners—hear them tell you that it was the food packages sent through the American Red Cross that literally kept many of them alive, and kept hope and faith alive in all of them. For the work of the American Red Cross in sending needed food—and comforts such as clothing and tobacco—is one of the great unsung stories of this war.



Supplementing this help to our caged fighting men, the International Red Cross, the parent organization of the American Red Cross, is authorized to transfer messages from prisoners of war to their homes. Thus a two-way channel of communication between those brave captives and their homeland functions regularly.

Yet—this is but one of the many great services, in war and in peace, performed by the American Red Cross.

It is with a feeling of sincere gratitude that we salute this unique, essential and most humane of institutions.

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*for over a quarter of a century!*

We think the greatest responsibility

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equitable adjustment of claims.

That's why we repeat "SECURITY

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department interprets the word

"service" to mean satisfaction—why

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Investigate today. It pays to know

Bituminous!

Assets Over \$12,000,000

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## Hospitality Is Subdued

Company Officials Entertain Agents  
at Milwaukee Minus Advertising

As was the case during the two other wartime conventions of the National Association of Insurance Agents, there were many company officials on hand and ample spots for quiet entertainment and visiting, but no open advertising of "headquarters." Many of the companies managed to get in the Schroeder, but a number were forced to go to other hotels. Most of the company rooms were open by Sunday afternoon and did a thriving business by word of mouth advertising. Most of the home office delegations were limited to a few officials, in contrast to the old custom of vying for the largest home office delegation, while practically all the Wisconsin field men were on hand.

John D. Rogers, Milwaukee resident vice-president, **Continental Casualty**, was host to George Smith and Norman Hoag, vice-presidents, and Robert Harvey, assistant superintendent.

Home of New York officials in attendance included Ivan Escott, vice-president; Leonard Peterson, vice-president, from the home office, and Louis Fischer, Chicago manager. From Home Indemnity, there were L. V. Grady, secretary, and James Feeney, Chicago manager.

Charles R. Watkins, executive special agent, western department, **New York Underwriters**, and Frederic Edler, Wisconsin state agent, were operating around the convention a la Gallup Poll, with folders showing the electoral vote in 1940 and space for the individuals' prediction of the coming presidential election. This folder was first used by the company in 1876.

Fred M. Gund, Freeport, Ill., western manager **Crum & Forster group**, headed the company's representation, assisted by W. A. Seely, assistant manager, and G. T. Thro, agency superintendent.

Open house of **Hartford Fire** was presided over by W. S. Vanderbilt, secretary, from the home office; C. E. Wheeler, western manager; Manley Stockton, as-

sistant manager, southern department, Atlanta; John H. Ledbetter, associate manager at Atlanta, and J. W. Burden and Earl A. Whitcomb, assistant western managers.

**Hartford Accident** was represented by F. C. McVicar, Hartford, secretary; J. W. Reitze, assistant manager at Chicago, and C. N. Dubach, superintendent production department, Chicago.

**Commercial Union** representation at Milwaukee was headed by Oscar Gleiser, assistant U. S. manager; David Florence, secretary; Charles Keenan, general agent for Wisconsin, Minnesota, North and South Dakota, Iowa and Nebraska, and Arthur Stofft, associate U. S. manager, Ocean Accident. Also in the headquarters to greet agents were L. S. Jones, manager central department of Ocean; S. S. Scott, agency superintendent, and R. F. Munsell, superintendent bond department at Chicago.

H. H. Erdmann, executive vice-president, and T. F. Shortall, vice-president, were on hand for the **Emmco group** of South Bend.

G. C. Inglehart, vice-president, presided over **Agricultural** headquarters, which were just off the meeting room on the fifth floor of the Schroeder, assisted by G. C. Peacock of the Wisconsin field.

**Charles Smith**, assistant U. S. manager of Royal Exchange and Car & General, represented his group, assisted by F. C. Read, Chicago manager.

J. Dillard Hall, assistant agency director U. S. F. & G., greeted his agents, flanked by George Hoff, Milwaukee manager and J. D. Twohig, Minneapolis manager.

**The Meserole companies** had headquarters under R. S. Oellers, New York, secretary; F. J. Pocquette, western field representative, and Seymour Braman, inland marine representative, Chicago.

**The Royal-Liverpool groups** were represented by J. L. Erhardt, assistant U. S. manager; C. R. Bock, regional manager, Minneapolis; E. F. Griswold, Globe Indemnity, Minneapolis; E. R. Voorhis, regional manager, New York; Clarke Smith, president Globe Indemnity; Hites Atkins, production manager Globe Indemnity; George McCagg, president

## Through Ninety Years in the U. S.—

- through the disasters of conflagration and hurricane
- through years of financial depression
- through wars, Civil, National and World-wide
- since 1854 — ninety years ago — the United States Branch of The

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has pursued the even tenor of its way. Conducting a conservative, sound, fire insurance business; paying its losses, large and small, equitably and promptly; equipped today, better than ever, to "carry on" as the strong Agency Company it has always been.

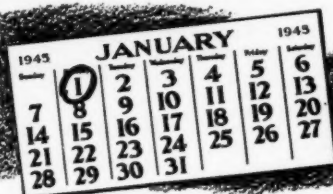


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BOSTON  
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Albany Insurance Company  
Allermannia Fire Insurance Company  
Alliance Insurance Company  
Allstate Insurance Company  
Allstate Fire Insurance Company  
American Automobile Insurance Co.  
American Casualty Company  
American Eagle Fire Insurance Co.  
American Employers Insurance Co.  
American Equitable Assurance Co. of N.Y.  
American Indemnity Company  
American Insurance Company  
American Motorists Insurance Company  
American States Insurance Company  
Auto Owners Insurance Company  
Automobile Insurance Co. of Hartford  
Bankers & Shippers Insurance Co. of N.Y.  
Beacon Mutual Indemnity Company  
Boston Insurance Company  
Buckeye Union Casualty Company  
Buffalo Insurance Company  
Cambridge Mutual Fire Ins. Co. of  
Andover, Mass.  
Camden Fire Insurance Association  
Celina Mutual Casualty Company  
Central Manufacturers Mutual Ins. Co.  
Central Surety & Insurance Corp.  
Century Indemnity Company  
Citizens Mutual Automobile Insurance  
Company of Howell, Michigan  
Columbia Casualty Company  
Columbia Fire Insurance Company  
Columbia Insurance Company  
Commercial Casualty Insurance Co.  
Commercial Indemnity Insurance Co.  
Commercial Standard Insurance Co.  
Commercial Union Fire Ins. Co. of N.Y.  
Concordia Fire Insurance Company  
Connecticut Fire Insurance Company  
Connecticut Indemnity Company  
Consolidated Underwriters  
Continental Casualty Company  
Continental Insurance Co. of New York  
Dearborn National Insurance Company  
Detroit Fire & Marine Insurance Co.  
Dubuque Fire & Marine Insurance Co.  
Economy Automobile Insurance Co.  
Emmco Insurance Company  
Employers Fire Insurance Company  
Employers Mutual Liability Insurance  
Company of Wisconsin  
Equitable Fire & Marine Insurance  
Company of Providence, R. I.  
Eureka Security Fire & Marine Ins. Co.  
Farm Bureau Mutual Automobile  
Insurance Company of Columbus, O.  
Farmers Mutual Liability Insurance Co.  
Federal Insurance Company  
Federal Union Insurance Company  
Fidelity & Casualty Company of N. Y.  
Fidelity Mutual Fire Insurance Company  
Fidelity-Phoenix Fire Insurance Company  
Firemen's Fund Insurance Company,  
San Francisco, California  
Firemen's Insurance Company  
First American Fire Ins. Co. of N. Y.  
Freeport Motor Casualty Company  
General Accident Fire & Life Assurance  
Corporation  
General Casualty Company  
General Insurance Company of America  
General Schuyler Fire Insurance Co.  
Girard Fire & Marine Insurance Co.  
Glenns Falls Insurance Company  
Globe Indemnity Company  
Globe & Republic Insurance Company  
of America  
Globe & Rutgers Fire Insurance Co.  
Grain Dealers National Mutual Fire  
Insurance Company  
Great American Insurance Company  
Great Lakes Casualty Company  
Great Northern Insurance Company  
Gulf Insurance Company  
Hanover Fire Insurance Company  
Hartford Accident & Indemnity  
Insurance Company  
Hartford Fire Insurance Company  
Hawkeye Casualty Company  
Holyoke Mutual Fire Insurance Co.  
Home Indemnity Company  
Home Insurance Company  
Home Mutual Fire Insurance Company  
of Broome County, New York  
Hoosier Casualty Company  
Illinois National Casualty Company  
Indiana Insurance Company  
Indiana Lumbermen's Mutual Ins. Co.  
Insurance Company of North America  
Insurance Co. of State of Pennsylvania  
Jersey Insurance Company of New York  
Keystone Underwriters

Liberty Mutual Insurance Company  
Liverpool & London & Globe Insurance  
Company, Ltd.  
London Assurance Corporation  
London & Lancashire Insurance Co., Ltd.  
Loyalty Group  
Manufacturers Casualty Ins. Co.  
Maryland Casualty Company  
T. H. Mastin & Co.  
Mercer Casualty Company  
Merchants Fire Ins. Co. of Denver, Colo.  
Merchants & Manufacturers Mutual  
Insurance Company  
Merchants Indemnity Corp. of New York  
Mercury Ins. Co. of St. Paul, Minnesota  
Merrimack Mutual Fire Insurance  
Company of Andover, Mass.  
Metropolitan Assurance Underwriters  
Metropolitan Casualty Insurance Co.  
Michigan Fire & Marine Insurance Co.  
Michigan Mutual Liability Co.  
Milwaukee Automobile Ins. Co., Ltd.  
Milwaukee Mechanics Insurance Co.  
Minneapolis Fire & Marine Ins. Co.  
Motor Vehicle Casualty Company  
Motorists Mutual Insurance Company  
National Automobile Insurance Company  
National Ben Franklin Fire Ins. Co.  
National Fire Insurance Co. of Hartford  
National Reserve Insurance Company  
National Union Fire Insurance Company  
New Amsterdam Casualty Company  
New Century Casualty Company  
New Hampshire Fire Insurance Company  
New York Fire Insurance Company  
New York Underwriters  
Newark Fire Insurance Company  
Niagara Fire Insurance Company  
North American Accident Ins. Co.  
North British & Mercantile Ins. Co., Ltd.  
North River Insurance Co. of New York  
Northern Insurance Company  
Northwestern National Insurance Co.  
Ocean Accident & Guarantee Corp., Ltd.  
Ohio Casualty Insurance Company  
Ohio Farmers Indemnity Company  
Ohio Farmers Insurance Company  
Ohio Underwriters Mut. Fire Ins. Co.  
Old Line Insurance Company  
Orient Insurance Company  
Pacific National Fire Insurance Company  
Patriotic Insurance Co. of America  
Pennsylvania Casualty Company  
Phoenix Insurance Company  
Piedmont Fire Insurance Company  
Potomac Insurance Company  
Preferred Accident Ins. Co. of N. Y.  
Preferred Automobile Insurance Company  
Preferred Mutual Fire Insurance  
Company of Chenango County  
Providence Washington Insurance Co.  
Quaker City Fire & Marine Ins. Co.  
Queen Insurance Company of America  
Republic Mutual Fire Insurance Co.  
Reserve Underwriters of Dubuque, Iowa  
Resolute Fire Insurance Company  
(Resolute Underwriters)  
Rhode Island Insurance Company  
Rochester American Insurance Company  
Royal Indemnity Company  
Safeguard Insurance Company of N. Y.  
St. Paul Fire & Marine Ins. Co.  
St. Paul-Mercury & Indemnity Ins. Co.  
Security Insurance Company  
Shelby Mutual Plate Glass & Casualty  
Insurance Company  
Standard Accident Insurance Company  
Star Insurance Company  
State Automobile Insurance Association  
State Automobile Mutual Ins. Co.  
State Farm Mutual Insurance Company  
Suburban Insurance Company  
Sun Underwriters Insurance Company  
Transcontinental Insurance Company  
Transportation Insurance Company  
Travelers Insurance Company  
Trinity Universal Insurance Company  
Union Assurance Society, Ltd.  
Union Automobile Indemnity Assn.  
Union Insurance Company  
United Firemen's Insurance Co.  
United States Fidelity & Guaranty Co.  
United States Fire Insurance Co.  
Universal Insurance Company, New York  
Utilities Insurance Company of St. Louis  
Washington Assurance Corp. of N. Y.  
Westchester Fire Ins. Co. of N. Y.  
Western Casualty & Surety Co.  
Western Fire Insurance Company  
Western Insurance Companies of  
Fort Scott, Kansas  
Wolverine Insurance Company  
Yorkshire Indemnity Company of N. Y.  
Zurich Fire Ins. of N. Y.

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*Will be available to you again!*

The Automobile Industry is Preparing  
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③ Our staff of thoroughly trained field men—always as near to you as your telephone—is at your service day or night to answer questions or help you close a deal.

④ Agents Finance Company writes NO insurance itself . . . does not even have a license with any insurance company. We are not in competition with you in any way, observing strict adherence to the American Agency System to safeguard your ownership of expirations.

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## AGENTS FINANCE COMPANY, Inc.

MERIDIAN AT NORTH STREET  
INDIANAPOLIS, INDIANA



Eagle Indemnity; M. R. Slawson, vice-president Eagle Indemnity; K. O. Saunders, Chicago manager Globe Indemnity; T. L. Bean, Royal Indemnity, and J. C. Qualmann, general cover department, New York.

American of Newark was represented by Vice-president F. W. Doremus from the home office, Western Manager B. A. Jochen, Rockford, Ill., and J. G. McFarland and H. G. Elmers, assistant western managers. Gordon Linke, manager marine department, also attended. Harold Jackson, president Bankers Indemnity, represented that company.

American Automobile headquarters were presided over by C. M. Latta, Milwaukee, resident vice-president. Home office officials present were Otto Patterson, executive vice-president and Vice-president Carlton Hines. State Managers R. S. Chaloner, Minnesota, and Carroll Mavis, Michigan, assisted Mr. Latta in dispensing hospitality.

National Surety was represented by E. M. Allen, vice-president, a former president of the National association while he was an agent in Helena, Ark., and Vice-presidents S. G. Drake and A. L. Carr of New York.

T. R. Dew, agency manager U. S. Guarantees, New York, and H. W. Klages, Chicago manager, Chubb & Son, were on hand for their group.

Spencer Welton, vice-president at Chicago, represented Massachusetts Bonding. J. R. Robinson, New York, assistant U. S. manager Phoenix of London, and vice-president Phoenix Indemnity, was on hand for his organization.

Security of New Haven was represented by S. D. Henry, secretary at the home office; J. J. Hubbell, resident secretary at Chicago; L. G. Sylvester, Chi-

cago brokerage manager, H. C. Watson of the Wisconsin field, and S. H. Swart, New Haven, secretary Connecticut Indemnity.

The London & Lancashire group was represented by C. Claussen, Chicago manager western department, and J. M. Fraser, western manager London & Lancashire Indemnity.

Fish & Schulkamp, Madison general agents, held open house for Wisconsin agents. Both A. W. Schulkamp and P. O. Fish were present, assisted by Roy Ashton, their state agent.

R. D. Safford, vice-president, and Thomas J. Butler, superintendent of agents, represented Travelers Fire.

## Object to Closed Sessions of State Directors

While presiding at the middle west territorial conference, George Carter, Detroit, protested against the state national directors holding closed sessions. He said it was perfectly proper for the executive committee to do this. But the National Board of State Directors constitutes an agency congress and all members of the national association should be allowed to participate.

F. R. Bell, Charleston, W. Va., told Mr. Carter it had been decided that there would be no closed sessions, at

which members other than state directors would be excluded. Two closed sessions were indicated on the program. There had been a discussion of this at the opening directors meeting and it was voted to permit any member agent to attend. Mr. Bell said "if they undertake to hold an executive session, they will do so over my dead body."

## In the Registration Envelope

In the envelope which each N.A.I.A. registrant received was an attractive colored folder containing a map of the convention city, with a list of the important places of interest in the city. A convenient memo pad for making notes was inserted through the courtesy of American Surety and New York Casualty.

The presidential electoral vote in the 1940 election was given in another folder which provided space to insert predictions for the electoral vote by states this year for those conventioners who like to look into the future. New York Underwriters provided this folder.

The attractive program presented a clear listing of the meetings in convenient easy-to-read form. An attractive bronze-like easel type plaque outlined the Nth Freedom, the freedom from uncertainty, which is the contribution of American of Newark.

## Otstot Reelected Secretaries' Chief

Rodgers and Bennett  
Speak at Annual Association Executives Meeting

By J. T. MALONEY

MILWAUKEE — After a spirited session of the Association Executives Conference of the National Association of Insurance Agents S. G. Otstot, Raleigh, N. C., was unanimously reelected chairman for another term. It was also voted to combine the office of secretary and treasurer in the chairmanship so Mr. Otstot will occupy the triple position.

Walter H. Bennett, counsel of the National association addressed the conference discussing the Supreme Court S.E.U.A. decision and its possible effect on the work of both state associations and local boards.

The work in establishing the Washington office of the N.A.I.A. was explained by Oscar H. West, the new Washington manager. He asked the secretary-managers to suggest means his office might use to develop the bureau facilities most effectively. His request brought prompt help from the floor, as several managers outlined the plans used in their respective states for providing Mr. West with information needed. He was elected an honorary member of the conference following his talk.

Material available to state associations through the public relations committee was outlined by Wallace Rodgers, executive assistant. He recently completed a trip to states and appeared before scores of local boards and state associations. He displayed a large portfolio suitable for showing at state association group meetings. It is an illustration of the thoroughness of the program. He said it is another instrument to maintain interest of association members.

The Association Executives Bulletin edited by Alfonso Johnson, Dallas, publicity director for the conference, was complimented and the members voted to continue the bulletin.

## Walter Schroeder Both Member, Host

Walter Schroeder, who enjoys the distinction of being both a leading insurance agent and an outstanding hotel operator, was naturally a prominent figure at the meeting of the National Association of Insurance Agents in his home town. He is head of the great general and local agency of Chris. Schroeder & Son, Inc., founded by his father, which operates throughout Wisconsin.

The National association is meeting at the "flagship" of the Schroeder hotel fleet, where Mr. Schroeder lives, and the hotel did an exceptionally fine job of handling the meeting despite the many wartime difficulties. The Schroeder organization also operates the Astor in Milwaukee and the Loraine, Madison, Northland, Green Bay, Wausau, Wausau, Retlaw (Mr. Schroeder's first name in reverse), Fond du Lac, Calumet, Fond du Lac, Duluth, Duluth, Vincent, Benton Harbor, Mich., and Indiana, Wabash, Ind.

A. S. ("Tony") Walsh, Mr. Schroeder's right-hand man in both the insurance and hotel business, performed splendidly as co-chairman of the hotel committee and generally was on tap to handle practically every difficulty which required straightening.

Dan Kirby, president Western Surety of Sioux Falls, S. D., was one of the interested onlookers at the convention.

## AMERICAN INTERNATIONAL UNDERWRITERS CORPORATION

111 JOHN STREET, NEW YORK 7, N. Y.

## Announces

its appointment as Foreign Managers for

CAMDEN FIRE INSURANCE ASSOCIATION  
NEW HAMPSHIRE FIRE INSURANCE COMPANY  
SECURITY INSURANCE COMPANY OF NEW HAVEN  
EAST AND WEST INSURANCE COMPANY  
GRANITE STATE FIRE INSURANCE COMPANY

## AMERICAN INTERNATIONAL UNDERWRITERS CORPORATION

### FOREIGN MANAGERS for

CAMDEN FIRE INSURANCE ASSOCIATION  
FIREMEN'S INSURANCE COMPANY  
HANOVER FIRE INSURANCE COMPANY  
NATIONAL UNION FIRE INSURANCE COMPANY  
NEW HAMPSHIRE FIRE INSURANCE COMPANY  
SECURITY INSURANCE COMPANY OF NEW HAVEN

BIRMINGHAM FIRE INSURANCE COMPANY  
EAST AND WEST INSURANCE COMPANY  
THE FULTON FIRE INSURANCE COMPANY  
GRANITE STATE FIRE INSURANCE COMPANY  
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CASUALTY

MARINE



## AMERICAN AUTOMOBILE INSURANCE COMPANY

### BROADEST FORM COMPREHENSIVE CONTRACTS AUTOMOBILE AND GENERAL CASUALTY

|                                   |                                     |
|-----------------------------------|-------------------------------------|
| Owners', Landlords', and Tenants' | Owners' and Contractors' Protective |
| Workmen's Compensation            | Manufacturers' and Contractors'     |
| Comprehensive Liability           | Employers' Liability                |
| Personal Liability                | Garage Liability                    |
| Automobile                        | Contractual                         |
| Burglary                          | Products                            |
| Elevator                          | Glass Damage                        |

### NATIONWIDE BRANCH OFFICE FACILITIES

ATLANTA • BALTIMORE • BOSTON • CHICAGO • CINCINNATI • CLEVELAND • DETROIT • INDIANAPOLIS  
KANSAS CITY • LOS ANGELES • MILWAUKEE • MINNEAPOLIS • NEW ORLEANS • NEW YORK  
PHILADELPHIA • PITTSBURGH • PORTLAND • ST. LOUIS • SAN FRANCISCO • SEATTLE

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INCORPORATED

A VIRGINIA CORPORATION

GENERAL OFFICES  
EDISON BUILDING  
TOLEDO, OHIO

Specialists in All Automobile Casualty Lines

Statement of Condition as of June 30, 1944

## ASSETS

|  |              |              |
|--|--------------|--------------|
| Cash in Bank .....                                       | \$218,191.29 |              |
| U. S. Government Bonds at Market Value. ....             | 450,102.50   |              |
|  |              | \$668,293.79 |
| Premiums in course of collection less than 90 days ..... | \$ 91,893.15 |              |
| Reinsurance due and in transit on paid losses .....      | 41,147.78    |              |
| Accrued interest on investments .....                    | 1,118.23     |              |
|  |              | 134,159.16   |
| Special Deposits in Banks .....                          |              | 3,359.40     |
| TOTAL ADMITTED ASSETS .....                              |              | \$805,812.35 |

## LIABILITIES

### CURRENTS LIABILITIES

|  |              |              |
|--|--------------|--------------|
| Reserve for claims in process of adjustment .....            | \$ 99,575.37 |              |
| Reserve for unearned premiums ....                           | 24,894.31    |              |
| Reserve for commissions to become due .....                  | 15,742.87    |              |
| Reserve for taxes .....                                      | 14,881.87    |              |
| Balances currently due other companies for reinsurance ..... | 10,042.75    |              |
| TOTAL CURRENT LIABILITIES ..                                 |              | \$165,137.17 |

### OTHER LIABILITIES

|  |              |              |
|--|--------------|--------------|
| Collateral deposited by other companies to guarantee I.C.C. filings .....        | \$ 9,500.00  |              |
| Funds withheld from reinsurers for unearned premiums and unadjusted claims ..... | 126,791.17   |              |
| TOTAL OTHER LIABILITIES ....   |              | \$136,291.17 |
| Capital .....  | \$300,000.00 |              |
| Surplus .....  | 204,384.01   |              |
| Surplus as regards policy holders .....  |              | 504,384.01   |

|  |  |              |
|--|--|--------------|
| TOTAL LIABILITIES, CAPITAL AND SURPLUS ..... |  | \$805,812.35 |
|--|--|--------------|

NOTE: Furniture, Fixtures, and Premiums in course of collection over 90 days, and other assets of non-admissible character are not included in above statement.

## Local Committees Did Splendid Work at the Convention

The fine, battery of local committee men did yeoman service at the convention. The general chairman was T. Z. Clayton, president George H. Russell Company and president Milwaukee Board. Frederick Kasten was vice-chairman; George Y. Wilkinson, treasurer, and Joseph G. Grundle, secretary. John S. Rowland of Racine, president Wisconsin Association of Insurance Agents, headed the honorary reception committee. Mrs. Hilda L. Rogers, secretary Milwaukee Board, and Mrs. Clayton were co-chairmen of the ladies' committee.



T. Z. Clayton

A. S. Walsh and John L. Loos were co-chairmen of the hotel committee, Val Gottschalk, J. G. Grundle and Ralph L. Martin were co-chairmen of the dinner committee. George G. Goetz and R. C. Pittelkow were co-chairmen registration committee. R. H. Norris, Jr., and R. A. Laub headed the monitor committee. Monroe Porth and L. C. Hilgenann were co-chairmen of the reception committee.

For the first time in many years, the group sessions on agency management problems were omitted. They had been a most popular feature and much interesting and useful material was developed at them. Many members were disappointed over their discontinuance. The obvious reason was lack of time on a crowded program. It was also believed that the emphasis on public relations and a united front made some officers dislike to divide agents into groups based on size of their offices.

## No Agency Management Group Meetings for 1st Time

The usual convention directory of the America Group was compiled by Frank Ennis, advertising manager. Also present from the home office were A. H. Derbyshire and Demott Belcher, secretaries, as well as E. A. Henne, Chicago, vice-president and western manager, and F. E. O'Brien, vice-president Fidelity & Casualty.

## America Fore Directory Out

The usual convention directory of the America Group was compiled by Frank Ennis, advertising manager. Also present from the home office were A. H. Derbyshire and Demott Belcher, secretaries, as well as E. A. Henne, Chicago, vice-president and western manager, and F. E. O'Brien, vice-president Fidelity & Casualty.

## Fraternal Leader Present

A. O. Benz, Appleton, president Aid Association for Lutherans and past president National Fraternal Congress, who is Progressive candidate for governor of Wisconsin, visited a number of early arrivals Saturday morning.

## Wisconsin Agents Reelect Rowland

(CONTINUED FROM PAGE 21)

lations committee; Wallace Rodgers, executive assistant public relations field division; J. G. Mayer, publicity director, and Averell Broughton, public relations counsel.

At the morning session J. M. Clancy, Racine, secretary Hard Fuel Institute of Wisconsin, urged local agents to get into politics, maintaining that politics had already entered their business. He said he did not mean on a partisan basis, but rather on a basis of aiding the election of members of the state assembly who would be friendly to insurance. He excoriated the 300 new deal alphabetical agencies, saying they are issuing confusing instructions. He also urged that local agents take cognizance of the growth of cooperative groups in the state.

W. B. Calhoun, Milwaukee, introduced National President F. A. Moreton, who spoke on National association activities. He paid fine tribute to Wisconsin President J. S. Rowland for his untiring efforts in making a personal membership drive throughout the state.

When the nominating committee turned in its report there was considerable comment when the name of Grover Miller, Racine, was read for the office of state national director. Mr. Calhoun has held that position since he retired as National president in 1931. Mr. Rowland then read a touching letter of resignation from Mr. Calhoun after which Mr. Calhoun was accorded a splendid ovation and a rising vote of thanks. It was a sincere expression of appreciation for a faithful leader who has unstintingly given his time and efforts to both state and National association activities for 30 years. A committee was appointed to present to Mr. Calhoun a framed resolution from the Wisconsin association. Mr. Calhoun responded feelingly.

## Presidential Address

John S. Rowland of Racine, the flying president of the Wisconsin Association of Insurance Agents, in his address explored the rank and file of members to take an active part in association work and to furnish the funds. Mr. Rowland, who pilots his own plane, two weeks ago made a trip by air over the state, making 10 stops and missing only one on account of weather.

The association, he said, must undertake to keep insurance in such a position that the local agents have the opportunity of handling the insurance. It must keep a diligent eye on the state legislature to defeat improper bills and to pass constructive legislation. He remarked that Wisconsin needs a good qualification law.

Mr. Rowland predicted that an insurance course will be offered by the University of Wisconsin and the agents should assist in that program. The association headquarters, he declared,

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PHOENIX  
SAN FRANCISCO  
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MONTREAL  
BOSTON  
ST. LOUIS  
WASHINGTON  
LONDON

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**NATIONWIDE CLAIM SERVICE, NIGHT AND DAY, TO HELP YOU GET AND HOLD BUSINESS**



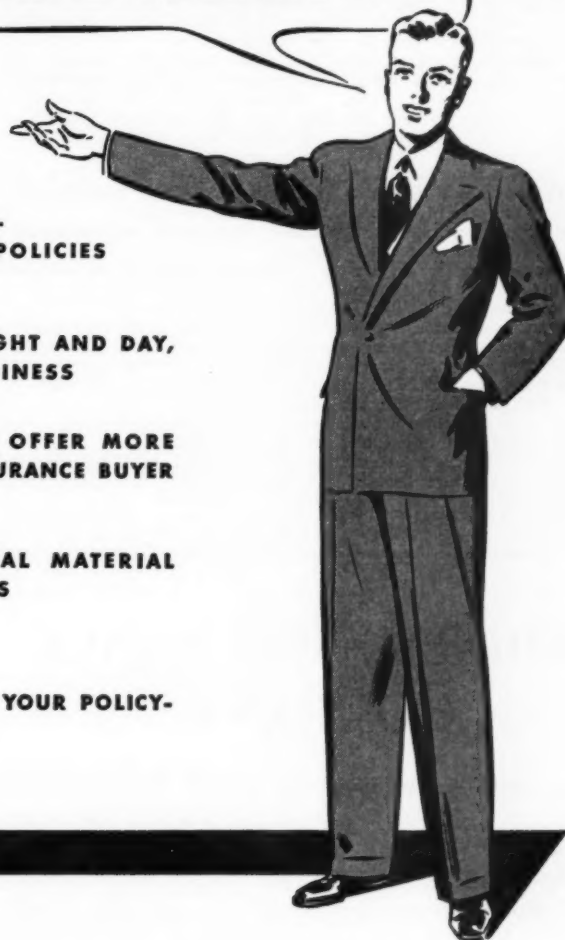
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AMICO is the company you need to meet the challenge of today's needs and today's competition and to be ready for post-war selling . . .

American Motorists is a \$14,000,000 multiple-line participating stock company providing insurance protection under divi-

dend-paying policies.

You can develop more business with AMICO's sales ammunition and AMICO's nationwide service helps you hold that business.

American Motorists is the company to help *you* build *your* agency for the future.

*Find out about the AMICO agency franchise in your community. Just write on your letterhead today.*

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PUBLIC LIABILITY • BURGLARY  
FIDELITY AND SURETY BONDS**

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*James S. Kemper, President*

*Sheridan at Lawrence, Chicago 40, U. S. A.*

**BOILER AND MACHINERY  
PERSONAL ACCIDENT, AND  
WORKMEN'S COMPENSATION**

Chicago (40): Sheridan at Lawrence  
New York (17): 342 Madison Avenue

Boston (16): 260 Tremont Street  
Atlanta (3): Kemper Insurance Bldg.

Philadelphia (7): 12 S. 12th Street  
Los Angeles (5): Kemper Companies Bldg.

San Francisco (4): Russ Building  
Syracuse (2): Syracuse-Kemper Ins. Bldg.

**A Nationwide Company Writing All Forms of Casualty Insurance and Fidelity and Surety Bonds**



should maintain a file on fire prevention and safety activities.

Insurance men, he said, must get into politics and support the candidates that are friendly toward insurance. He recommended that a contact committee be established to handle relations with companies and field men. Such matters as auto financing, automobile and airplane financing, regional meetings can be taken care of by a strong association, he said.

He expressed the belief that the organization should have a full time secretary. In his trip around the state Mr. Rowland found that the members were favorable to such a move and Mr. Rowland said that he is suggesting a plan whereby the funds could be raised.

E. A. Gaumnitz, associate professor of insurance at the University of Wisconsin, in addressing the Wisconsin meeting pointed out that the groups to be served by insurance education are the consumers and the sellers. Both groups, he observed, are interested in fundamental ideas and the purposes and function of insurance. The buyers, however, are not interested in sales technique, office procedures, etc. They are concerned with the contents of the contract, the services rendered by the agent and his company and the cost.

The seller must know the buyer's mind which means he must know his

product and must be conversant with and apply good sales principles and business practices.

The educational system offers very little in the insurance field in the high schools. The small colleges may offer a general course in insurance but this necessarily is descriptive rather than analytical in nature.

In a large college or university greater traffic permits greater specialization and more demands may be satisfied. Courses for both the buyers and sellers may be introduced and professional training in insurance may be offered.

Short courses may be arranged to serve a specialized professional group sponsored by universities, agency associations, companies or combinations of these.

Generally speaking, he said, universities will offer training in whatever field a sincere demand arises.

In the field of specially organized educational groups Mr. Gaumnitz mentioned the educational program of the N.A.I.A., American Institute for Property & Liability Underwriters, Insurance Society of New York, Insurance Institute of America, Hartford College of Insurance, Life Office Management Association and American College of Life Underwriters.

In the property insurance field there has been a growth of insurance courses

in colleges and universities in the pre-war period and he predicted that there would be a further growth after the war.

Agents today are better trained than formerly, not alone because of university courses but because of recognition of the professional characteristics of the vocation.

All interested groups, he said, recognize the value of knowledge and this latter element cannot be monopolized.

Insurance is essentially a service and not a commodity, the difference between the two being the interjection of the personality and professional ability and attainment of the agent.

Agents must seek to improve their



GROVER MILLER

knowledge of insurance, their skill of presentation and business procedures both in and out of the office.

Operating through group action is most satisfactory, he declared. Becoming an active member of an agency association is a necessity.

Mr. Gaumnitz recommended that a definite period each day be devoted to a study of at least one or two trade journals, a moderate insurance library should be accumulated and worked, company material should be utilized.

The speaker emphasized that the University of Wisconsin school of commerce has courses designed to supply training in line with the N.A.I.A. educa-

## Thomas Is Popular and Well Qualified Agents' President

W. Ray Thomas, new president of the National Association of Insurance Agents, is 57 years old and has been an outstanding figure in Pittsburgh, Pennsylvania and National association activities for many years. When he was elected vice-president last year at Pittsburgh he was the senior member of the executive committee and the only one who had served under both the old and the new constitutions. He is popular throughout the country and has been a strong force in formulating the public relations program of the National association.

After graduating from Washington & Jefferson College, Mr. Thomas entered the insurance business via the surety end, going with American Surety in Pittsburgh. In 1920 he went with the J. W. Henry general agency of Aetna Casualty as manager of the surety department. In 1929 he went into business for himself under the name of W. Ray Thomas & Co. In 1933 he acquired the old Pittsburgh agency of Logue Bros. & Co., of which he is now sole owner. He has spent his entire career in Pittsburgh.

### Hoosiers at Milwaukee

Herman C. Wolff, president of the Indiana Association of Insurance Agents, led that group to the convention. Other Indianapolis men attending are Glen N. Hoffbauer, Ross E. Coffin, E. E. McLaren and Raymond C. Fox.

Harry E. McClain of Shelbyville, secretary of the state association; Howard J. Gescheidler of Hammond, Dean H. Swadener of Mishawaka, Fred C. Richardt of Evansville, Ralph W. Smith of Carlisle, and Howard Bradshaw of Delphi, are attending.

tional program in cooperation with the Wisconsin Association of Insurance Agents. Courses are also given to prepare for examinations of the American Institute of Property & Liability Underwriters. He stated that the school of commerce is ready to give wholehearted cooperation with any insurance groups to foster and conduct insurance education.

## FEDERAL INSURANCE COMPANY

Semi-Annual Statement, June 30, 1944

|                                       |                        |
|---------------------------------------|------------------------|
| Cash in Banks .....                   | \$3,295,506.88         |
| United States Government Bonds.....   | 8,781,010.65           |
| All Other Bonds.....                  | 1,801,463.88           |
| Preferred and Guaranteed Stocks.....  | 3,860,644.63           |
| Vigilant Insurance Company Stock..... | 3,383,165.59           |
| Other Common Stocks.....              | 7,299,081.00           |
| Premiums Receivable .....             | 1,782,191.36           |
| Other Assets .....                    | 179,994.40             |
| <b>Total .....</b>                    | <b>\$30,383,057.89</b> |
| Reinsurance Premiums Payable.....     | 2,508,354.51           |
| <b>Total Admitted Assets.....</b>     | <b>\$27,874,703.38</b> |
| Reserves for: Losses .....            | \$2,749,655.00         |
| Unearned Premiums .....               | 2,732,725.34           |
| Taxes and Expenses.....               | 998,963.35             |
| Other Liabilities .....               | 1,638,177.36           |
| Security Fluctuations .....           | 1,165,816.02           |
| <b>Total Liabilities .....</b>        | <b>\$9,285,337.07</b>  |
| Capital .....                         | \$4,000,000.00         |
| Surplus .....                         | 14,589,366.31          |
| <b>Total .....</b>                    | <b>\$27,874,703.38</b> |

Securities carried at \$545,648.52 in the above statement are deposited with public authorities as required by law.

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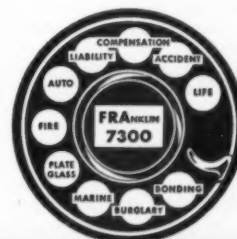
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## Active Year During Period of Stress, President Reports

### Membership Reaches New High and Still Climbing, Welcomes Ohio Back

MILWAUKEE — Problems which occupied the administration of the National Association of Insurance Agents during an extremely active year were discussed in the report of the administration given by Fred A. Moreton, president, Salt Lake City, on Tuesday. He reviewed the negotiations which led to the formation and first meeting of the liaison committee composed of producer groups and company executives; the membership campaign which brought the rolls of the association to an all-time peak; reaffiliation of the Ohio association with the National body; the uncertainties created by the U. S. Supreme Court decision in June; legislation in Congress both before and after that decision and the hiring of personnel in connection with the public relations program and the general problems due to that activity.

No happening during the year gave him more pleasure than the reaffiliation of the Ohio association, he said. It brought more than 1,000 members into the association which now has an all-time high in total membership of 18,745. Mr. Moreton paid tribute to the officers and members of the Ohio associa-

tion for reestablishment of a roster of 48 states, plus Hawaii, Puerto Rico and the District of Columbia.

The epoch making meeting of the liaison committee representing all producers, except brokers, and company executives recognized that agents should be close to the center of operations and planning within the insurance business. The formation of the com-



FRED A. MORETON

mittee was an important milestone in the history of producer-company relations, he said. Much good will come from subsequent meetings of the joint committee in the months and years ahead, Mr. Moreton predicted.

The association is in excellent financial condition, the report emphasized. It was not necessary to draw on reserves during the year. Increased income which came with increased membership

also meant increased operating and service expense, but expenditures have been kept within the budget.

"The educational program is one of the most constructive and important movements ever adopted by the National association," Mr. Moreton said. He urged every state and local board to explore the opportunities provided by the program.

The job of public relations activity to date has been largely in preliminary organization, production of booklets and selection and addition of personnel. The job called for group effort and careful planning. Actual expenditures to date for public relations work are \$58,756, while total cash and pledges to the public relations fund are \$360,000. "We are a great trade association, one of the most numerous and most potentially influential in the American business world. We incur thereby a great responsibility to our fellow members, the insurance business, to American business and the general public," Mr. Moreton emphasized in his report. He spoke of the long and honorable record of the association which must be maintained by unswerving allegiance to ideals of service, high minded and conscientious dealings with all and a high standard of personnel and operation.

#### Urges Caution and Study

Many outside the insurance industry would give pat answers to the problems of insurance. They look like real answers but those who know the facts realize the problems are not so simple. Mr. Moreton suggested a "hands-off" attitude until full study and consideration has been given to the real problems confronting this business.

A dangerous situation is created when through operations of a government bureau, or by encouragement of company management, an agent is separated from his assured and serves him as a third party for a fee, Mr. Moreton commented.

## To Resume Auto Finance Service

### Agents Finance Company Plans to Get Back in Operation Jan. 1

As automobile manufacturers prepare to resume production to fill the estimated backlog demand for 15 million new cars and with insurance agents again concerned over the prospect of the loss of millions of dollars of automobile insurance to finance companies, Robert E. Osborn, executive vice-president of the Agents Finance Company, Inc., announces that "The Insurance Agents Automobile Finance Plan" will again be offered to agents beginning Jan. 1.

Under this plan, which was well popularized prior to the war-time curb on automobile production, the agent is provided with facilities to finance cars himself and thus to retain the insurance that otherwise would be placed by the commercial finance companies.

#### Handling Is Made Easy

"The Agents Finance Plan" has been used by more than 2,000 agents in the mid-west. It is designed to make it as easy for an agent to finance a car as it is to write a policy.

In 1936 a group of Indianapolis insurance men who had been agents themselves, founded the Agents Finance Company, which has handled more than \$10 million in automobile finance business exclusively through agents.

Mr. Osborn voices the belief that "The Agents Finance Plan" is superior to finance service offered by banks.

For instance, he states that under the bank plan an agent is a broker who must present his finance deals to the bank for approval, whereas under "The Agents Finance Plan" the insurance agent is an agent of the company, with full power to issue bank drafts to the dealer covering purchase of the car. The agent closes the deal himself, handling all the financing of new or used cars, thereby securing all of the client's insurance in one transaction. The plan, he observes, gives an agent his own draft book which makes it possible to complete finance deals at any hour of the day or night, not merely during regular banking hours. Also the client is not using up any portion of his bank credit.

#### Bank Competitor

Mr. Osborn also states that an agent may hesitate to recommend a bank deal if the bank is engaged in the insurance agency business.

The Agents Finance Company does not write any insurance itself, does not have an agent's license with any company, and adheres to the American agency system of respecting the agent's ownership of business, Mr. Osborn declares.

The client may include the entire insurance premium in the amount to be financed whether the policy is written for 12, 18, or 24 months; and the agent writes himself a draft for the full amount of the insurance premium, making it a cash deal as far as he is concerned.

#### Training Films Used

The company is staffed with men who have had years of experience in major dealer-finance companies and have since added experience of working with insurance agents. A staff of full-time field managers is on call to answer questions or assist in closing a deal. In addition to the field staff, branch offices are maintained in Indianapolis, Lansing, Columbus, and Springfield, Ill.

The company has talking picture training methods, so that an agent can secure complete knowledge of finance

## GREETINGS TO THE NATIONAL ASSOCIATION OF INSURANCE AGENTS



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procedure in a minimum of time. Within a few hours an agent can be appointed and be ready to finance cars.

A regular sound motion picture is now being produced to further speed this training.

The company supplies its agents with dramatic advertising pieces and provides addressograph service, circularizing agents' lists free of charge.

Under this plan, he said, the policyholder receives the benefit of the counsel of his insurance agent. In the event of an accident, the client has only one person to call. His insurance agent, and the company, with its network of adjusters, affords nation-wide claim service not limited to office hours.

Payments are arranged for the date and in the amount that suits the client's convenience; and if, for illness or any other reason, the client needs an extension, the agent is in a better position of authority to grant it, since he is a direct agent of the Agents Finance Company.

Also if the client at any time chooses to trade in his car, he may also trade in his insurance policy with his agent and avoid a short-rate cancellation. Likewise, if there are still payments due on his old car, the balance is paid for him and the total amount transferred to his new car account.

## Duel Says Agents Are on Right Track

In welcoming the National Association of Insurance Agents to Wisconsin, Commissioner Morvin Duel praised the public relations program of the association and said that the position that public relations, like charity, begins at home, is a most heartening one. Agents have the greatest opportunity of anyone in the insurance business for public relations work, because most members of the public think of insurance in the

## Meeting Finance Co. Competition

### Explains Plan Used with Great Success in California

MILWAUKEE—The post-war year will be the greatest installment buying year and hence the greatest insurance buying year, Chairman H. H. Hendren, Sacramento, Cal., predicted at the finance accounts committee meeting which attracted the largest crowd. Thirty-seven states have already licensed auto dealers, permitting them to write insurance, and more states may do the same. To meet the situation agents must educate their clients to come to them before buying automobiles so the agent can explain where they can finance their new car without having to combine the purchase of the auto, its financing and the insurance in one package.

A system of circular letters, personalized but of the form letter type, stickers, stuffers and notes at the bottom of correspondence all designed to educate the client to seek his insurance agent's help when buying on the in-

terms of the agent and the service they receive from him. He also praised the spirit of cooperation in the insurance business, pointing out that trade associations, companies, agents and brokers all play an indispensable part in service.

Mr. Duel also opposed the entrance of federal regulation into insurance, saying that state supervision, in Wisconsin and elsewhere, has proved itself effective and so far no one has charged, let alone proved, that a change is necessary for the good of policyholders.

stallment plan are part of an aggressive method used successfully in California to combat the placing of insurance through finance companies. The agent must get his client to come to him and then the agent can advise him where he can get the financing done most advantageously.

The importance of aiding clients to finance with friendly banks was brought out in the discussion though it was emphasized that agents can also work with cooperating finance companies. A friendly bank is one which is making direct loans on the installment plan and which permits borrowers to place insurance and does not have an agency.

If this plan, which has been used so effectively in California, is worked aggressively it will bring to the agent much auto coverage now written elsewhere. It will not get all the business. Admittedly it is only a partial remedy, Mr. Hendren said the plan helped him build more business than any one sales idea he used. He does not limit it to one bank in his community but works with any friendly bank.

Companies which have written physical damage insurance through finance companies in the past have not made money on such writings, it is said. That does not mean they will not go back into it after the war when auto fire and collision premiums are due for a rapid rise.

The public interest is the paramount interest, George Carter, Detroit, said with emphasis. He also suggested importance of working with the right kind of banks. Importance of soliciting the insurance when financed loans expire to get the renewal was suggested by H. H. Corson, Nashville. In Tennessee, the largest finance company does not solicit renewals.

The annual past presidents dinner of the National Association of Insurance Agents was held Sunday evening at the Schroeder.



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## Public Relations Forum Draws Large Crowd

(CONTINUED FROM PAGE 22)

strictly on the plus side in good will and confidence, Mr. Read pointed out. "To date, I have no evidence as to the public's thinking about the insurance business specifically—which certainly in the aggregate is classifiable as big business, although many of its component parts may well be regarded as small business.

### Recognize Favorable Aspects

"The public sees certain benefits in big business, such as greater efficiency, ability to produce at lower prices, and equally important today, the ability to provide a great many jobs. I might tell you for what it may be worth in the planning of your own public relations programs, that aside from winning the war, there is no subject of greater importance in the public's mind today than that of jobs after the war.

### Human Relations Loophole

"But the weakness the public sees in big business—and it does see some weaknesses—is principally on the side of human relations. People believe that large companies have much less personal interest in their workers and in others with whom they deal than do smaller concerns. So, if business is to win the public more thoroughly to acceptance of its ideas and philosophies it can begin at no better place than by improving its own human relations. You in the insurance business have innumerable opportunities to live up to this principle and to broaden the appreciation of it by business men generally."

### Not Clearly Defined

In dealing with public opinion, too often it is assumed that people generally have clearly defined viewpoints on everything, Mr. Read observed. "It would not surprise me to find, for example, that the dominant factor in public opinion about insurance is the public's complete ignorance about it and therefore apathy toward the major problems that surround it."

In commenting upon the survey his organization conducted for the National Physicians Committee for Extension of Medical Service, Mr. Read said that although an important proportion of American people approve "a plan to increase social security taxes and have the federal government use the money for a national medical and hospital insurance program," they are actually more interested in the insurance idea than having it provided for by the government. "By extensive supplementary questioning," he explained, "we found that a vote for a government-sponsored medical plan is not really what it appears to be at all.

### Concerned with Cost

"First we learned that an important proportion of the people in the country have found the cost of medical or hospital care to be burdensome at some time in the past, and a majority of these people think it would be possible to do something to minimize such burdens in the future. An important proportion of this group suggest voluntarily that the remedy would be a prepayment medical plan of some sort. In turn, we find such people quite disposed to favor a government medical program as a way of meeting that need.

### Actual Practice Cited

"But then we asked people what they would think about a medical plan sponsored by their employers and obtained through a private insurance company? People answered that this would be fine; they'd like to have it—just as they said they would like to have a plan sponsored by the government. So we asked, 'Suppose this insurance-type plan were available to you, would you still favor a government-sponsored plan?' And their re-

plies in effect were, 'No, there wouldn't be any need for it.'

"To see how this line of reasoning worked out in actual practice, we went into a number of communities where a high proportion of the workers are already covered by insurance-type prepayment plans. Two rather startling findings resulted:

### Not for Government Plan

"1. That the people now participating in insurance-type prepayment plans or doctor-sponsored medical plans vote sharply less for a government medical program than do others in the same

community who are not now participants in such plans, and

"2. We found a much lower vote for a government medical program among all the people in these communities than in other comparable communities where such prepayment plans are not so widely available.

"In other words, what might easily be interpreted as outright sentiment for a government medical plan is not really a vote for such a program per se, but is rather in large part a vote for any plan that reduces the financial hazard of serious illnesses."

Defining public relations as the shap-

ing of American thoughts and ideals, Mr. Motley said that business men and other advertisers have come to realize that social responsibility is an inescapable part of their operations and that they must endeavor to do something more than just sell their goods and services.

It has been pointed out that the future prosperity of America lies in the development and expansion of the various service occupations to promote distribution and improve living standards, Mr. Motley said. "As industry and manufacture become more mechanized,

(CONTINUED ON LAST PAGE)



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## Committees Report on Many Points

(CONTINUED FROM PAGE 20)

than concentrate on Fire Prevention Week. Mr. Ferguson reiterated this stand and said that only the important other activities before Mr. Broughton and his organizations have kept it from accomplishment.

### EDUCATION PROGRESS

Almost 10,000 students spent approximately 124,000 hours in study courses, since the National Association educational program was inaugurated 2½ years ago. L. P. McCord, Jacksonville, Fla., reported for the educational committee. At the modest tuition fee of 15 cents per hour per student, more than \$18,600 was collected as of Aug. 31, 1944. In the second full year of operation, 57 insurance men and women have completed the 100 hour curriculum.

There were over 100 local study groups in 32 states.

Although war time conditions brought the cumulative enrollment in 1943-44 slightly below that of the preceding year, there were exactly the same number of organizations sponsoring study groups, 76, and the number of courses sponsored was greater than that of the previous school year. Pittsburgh is still the leader in educational work, being the first city to qualify candidates for the award, and has practically completed the 100 hour program for the second time. During the third year, the Pittsburgh group will give 160 instead of 100 hours. Buffalo, Charlotte and St. Paul have also formulated tentative plans to repeat the courses.

Mr. McCord praised the cooperation of local women's associations and thanked the Association of Casualty & Surety Executives and the National Board of Fire Underwriters for their

generous financial assistance. He said the present 100 hour series of courses should provide a highly satisfactory refresher course for local agents, their employees and company men returning from the service and that many state associations are working on plans for short course schools primarily for this reason. The National association will also be ready to provide adequate educational facilities for returning veterans without previous insurance experience who conscientiously desire to enter the local agency field. Some state associations are now setting up machinery to poll members on this important question. It is Mr. McCord's opinion that an introductory course to precede the 100 hour program will be of great benefit along these lines, but this will require careful thought and preparation. He also said that every encouragement possible will be given to students in the N.A.I.A. courses to use this study as an adequate vehicle of preparation for the strictly insurance examinations of the C.P.C.U. program.

T. G. Redden, Greensboro, N. C., is

chairman of the committee on agency qualification laws.

The model qualification bill submitted by his committee was drawn up after conferences with the National Board and the Association of Casualty & Surety Executives, the report stated. It added that the conferring organizations will be glad to consult with the agents in any case where the proposed law does not meet particular conditions in any state. The draft was submitted to the national board of state directors and was discussed at length during the committee meeting.

### ACCIDENT PREVENTION

Pointing out that the proposal for an accident prevention essay contest for high school students was approved by the national board of state directors at



I. R. ZERZAN

Jackson last winter, but was tabled because the question of how to finance it was unsettled. I. R. Zerzan, Omaha, chairman accident prevention committee, reported that the committee is convinced that the National association will not be identified closely with accident prevention activities on a national scale until it plans some project which will be financed and promoted by the association. Accident prevention, he said, is definitely of a public relations nature and should have the complete support of the public relations committee, the national officers and directors. Until this is forthcoming, the accident prevention committee can do little of an outstanding national character.

Failing to have its own project launched, the committee, Mr. Zerzan reported, had to fall back to its old system of depending upon other organ-



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izations for counsel and material. It distributed over 2,000 copies of the booklet, "Safety Is Good Business" of the National Conservation Bureau. It has asked the National Safety Council to list the N.A.I.A. as one of the sponsoring organizations in its post war accident prevention program, but no action had been taken up to the present time. Mr. Zerzan urged the state associations to offer their assistance to governors and highway commissioners who are now calling meetings for the promotion of accident prevention activities after the end of the war. He also said that agents can develop much good will by urging their assured to use the engineering services made available by the stock casualty companies, in which use there is considerable room for improvement.

## RURAL AGENTS

Facts, ideas and sales tips on the operation of rural agencies will be gathered by the rural agents committee, and published in a pamphlet for distribution to members, according to the report of that committee. The pamphlet will contain information on selection of companies, community public relations activities, sales helps in the rural field and giving service beyond the contract. Several other new projects have been inaugurated by the committee the report of Chairman H. C. Arnall, Newnan, Ga., stated.

It is important that each state have an active rural agents committee, the report emphasized.

The different types of contracts written on farm and rural property are being studied by the committee. This is preliminary to interesting the companies toward more uniformity in coverages. Plans to stimulate the interest of business men in farming are under way throughout the country. When business men enter any project they want their investment protected by insurance. A form and coverage for these projects is needed, the report said. The forms should be broad and comprehensive. Some will need reporting forms. Agents can use their influence to secure such forms from their companies. A more appropriate and fully descriptive name for the rural agents committee is needed. The activities of the committee affect not only rural agents but also small town, community and township agents, as well as many others.

## W. B. Calhoun Honored at Dinner

William B. Calhoun, past president of the National and Wisconsin associations and of the Milwaukee Board, was presented with a \$100 war bond at the Saturday night dinner given the national officers and executive staff by the Milwaukee Board at the Wisconsin club. It was in appreciation of his services of many years to all three associations, which culminated in his retirement as state national director for Wisconsin.

## Keys, Davis, Thomas Early Arrivals

Earliest arrivals spotted at the Schroeder Friday evening were Alvin S. Keys, Springfield, Ill., member of the national executive committee; Vice-president W. Ray Thomas, Pittsburgh, and Mrs. Thomas and C. V. Davis, Sheridan, Wyoming state national director, and Mrs. Davis. L. C. Hilgemann and President T. Z. Clayton of the Milwaukee Board were on hand to entertain them.

The Springfield F. & M. continued its custom of giving registrants stamped covered wagon postal cards. It was a facsimile of the company trade mark.

The happy family, often seen together at national conventions, was present: Mr. and Mrs. W. Herbert Stewart, Chicago; Mr. and Mrs. Arthur Dunbar, Omaha, and Mrs. Lillian Herring, secretary Illinois Association of Insurance Agents.

## Supreme Court Decision Rapped at Several Agents' Sessions in Milwaukee

At the central west conference presided over by George W. Carter of Detroit, H. H. Corson of Nashville was bitterly critical of the U. S. Supreme Court decision holding insurance to be commerce. He said that this was the first case in history where a minority of the court decided on a constitutional question and it was allowed to stand.

He referred to the fact that four justices out of nine made the decision.

Mr. Carter said that it will be necessary for insurance men to be unified and go to Congress for remedial action. He said that Congress should decide regarding the status of insurance. He said that some companies are paying premium taxes under protest to the states not knowing yet whether the federal government will claim the right to collect the taxes. He said that this is a most unusual situation because the companies have been paying these taxes to the states right along. He said Con-

gress should be allowed to act because it represents the people.

Mr. Carter said that there is too much individualism in the business.

## Ohioans Breakfast Hosts

The Ohio Association of Insurance Agents under President J. F. Van Vechten of Akron invited the officers and members of the executive committee of the National association to breakfast at the hotel Monday morning. All agents from Ohio were invited to attend.

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## Association Turns Efforts to Public Relations Work

(CONTINUED FROM PAGE 19)

slated to discuss the critical situation created for insurance by the U. S. Supreme Court decision in the Southeastern Underwriters Association case, under the title "Going which way?" B. C. McCabe, of the International Elevator Co. of Minneapolis, president of the National Tax Equality Association, will speak on "Subsidized Competition," pointing out the unfair competitive advantages which cooperatives enjoy in many businesses, including insurance. The new officers will be installed and resolutions will be adopted at this session.

Although the board did not hold its first session until Sunday afternoon, at least half the crowd was present by Saturday night. By Sunday the hotel situation was really critical and there was a full house when President Moreton called the board to order. Committee meetings took up Sunday evening and on Monday morning the four territorial conferences drew large crowds. The first general session was held Monday afternoon.

Old-timers recalled that the National association met in Milwaukee twenty years ago with Frank R. Bell of

Charleston, W. Va., national president in charge. He attended the convention this year. President Fred A. Moreton, Salt Lake City, was in fine fettle. There was a huge bouquet on the rostrum, the gift of the Norwich Union.

W. B. Calhoun of Milwaukee, ex-national president, who always opens these conventions by singing "America," as ever magnificent in voice, reached the heights in his home town. At the piano was the immediate past president, David A. North of New Haven, Conn. Dr. Henry James Lee, First Congregational Church, Wauwatosa, Wis., spoke the invocation. Then came the official greetings, the first welcomer being T. Z. Clayton, president Milwaukee Board, an organization 82 years old. John S. Rowland of Racine, state president, followed. He has visited all the important points in Wisconsin during the year. He rushed away to preside at the Wisconsin agents annual gathering held in the hotel. W. Ray Thomas, of Pittsburgh, vice-president, took the chair, and presented Morvin Duel, Wisconsin insurance commissioner, who spiced his remarks with some pungent observations. He spoke as a former farmer boy. He

formerly sold insurance to farmers. President Moreton gave the report of the administration. His message assumed a serious and solemn phase as he reviewed the insurance conditions of today.

R. B. Umberger, Chicago, president Industrial National Bank, took as his topic, "The Banker and the Insurance Man in the Auto Trade," a very live subject that is attracting much interest. The state directors met in an executive session for nominations late Monday afternoon and continued their open session that night and Tuesday morning.

The Tuesday afternoon session was devoted to a public relations forum, the only other business transacted then being the election of officers. The annual dinner followed. The state directors held an executive session Wednesday morning to consider resolutions, while the main Wednesday morning session was given over to the "Pattern for Production" the annual feature of the Business Development Office.

Interest in financed automobile business first showed itself at the opening meeting of the state directors Sunday afternoon, when the period during which each state association was invited to express its particular problems, showed an overwhelming citation of automobile dealer activities as the No. 1 issue. As a result, the meeting of the financed accounts committee that night, under H. H. Hendren, Sacramento, Cal., drew a crowd which put all the other committees under cover. It continued with Mr. Umberger's address on Monday and did not die down all through the meeting.

At the Tuesday morning meeting of the state directors, a criticism was made of the increase in minimum dues from \$2.50 to \$3, without first having secured

## Ladies' Entertainment Group Provides Busy Schedule

The ladies committee, headed by Mrs. Hilda Rogers, secretary Wisconsin Association of Insurance Agents, and Mrs. T. Z. Clayton, wife of the Milwaukee Board of Fire Underwriters president, provided a busy schedule of activities. Monday there was a tour of Milwaukee and a tea at the Layton Art Gallery. Tuesday the ladies were entertained at luncheon at the Blue Mound Country Club and a tour of the Schlitz Brewery was scheduled for Wednesday.

approval of the directors. W. Herbert Stewart, Chicago, chairman of the committee to study probable reclassification of states as to payment of dues, recommended that a special committee be appointed to confer with the finance and membership committees to review the entire subject of dues with special reference to the large income agencies. This was adopted. L. P. McCord, Jacksonville, Fla., chairman educational committee, announced that a course of study for those returning from war service who desire to enter the local agency field is being prepared. He said the states should poll their members to ascertain how many such men are desired. W. L. Ferguson, New Orleans, chairman fire prevention committee stated it recommends the preparation of a fire prevention manual that can be used by agents. It was decided to do this.

H. F. Warner, Kansas City, chairman of the surety committee, recommended that arbitration be used in settlement of claims where there are disputes. He said the war has upset the surety picture. The committee recommended legislation carefully defining the obligations of contractors. The question arose as to contract bond rates and commissions. Coverages should be broadened, the committee held. It was claimed that



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some branch offices are soliciting bonds direct, leaving the impression that it would be to the interest of contractors to do business with them. In some cases, municipalities seek a lower rate on contract bonds with the suggestion that the agent might take a lower commission. The committee stated that where agents render full service, they are entitled to full compensation.

T. G. Redden, Greensboro, N. C., in reporting for the agency qualification committee, recommended that the report be sent out as suggestions for license laws, not in the nature of a recommended statute but as a manual containing principles for guidance which were adopted at the Pittsburgh convention.

association they would agree to confer with the agency body of that state and endeavor to reach a harmonious agreement. It was felt that the companies were in a far more responsive mood than they had been. It was finally voted to approve the entire report containing the suggested draft and submit it to the state national directors.

### New Vice-president Long Active in Association

(CONTINUED FROM PAGE 24)  
tive committee by the national board of state directors at the close of that meet-

ing and was unanimously reelected last year at Pittsburgh. At that time there was strong sentiment to elect him vice-president, but he refused to consider the office and threw his personal support behind W. Ray Thomas, who now becomes president. He has also been chairman of the inland marine committee since it was organized in 1939 and has done outstanding work with that group.

Born in Louisville, Ga., in 1889, Mr. Brown attended Georgia Tech. He worked for an engineering firm in Atlanta for two years and in 1908 went to Pensacola to assist his brother, L. S.

Brown, who operated a real estate and insurance business. In 1910, William Fisher, who was in the same business, bought out L. S. Brown's business and Hunter Brown went with him as head of the insurance end of the work. In 1911, the present firm name, Fisher-Brown, Inc., was adopted. Mr. Fisher has since retired from that firm and Mr. Brown is president and major stockholder.

Mr. Brown served two terms as president of the Florida Association of Insurance Agents and is now president of the Pensacola Local Board of Fire & Casualty Agents.

## Qualification Group Holds Lively Parley on Objectives

The committee on agency qualification laws was presided over by T. G. Redden, Greensboro, N. C. The committee had approved a suggested draft at the Jackson, Miss., midyear meeting and referred it to the state national directors who desired to consider it further before taking action.

The Texas delegation opposed the draft on the ground that the national association should not approve any specific legislative pattern because it might militate against the success of individual state organizations that desired to depart from the die.

Members of the agency qualifications committee had held conferences with the National Board and the Association of Casualty & Surety Executives and together all hands had agreed on a suggested draft, which was not, however, called a model law. The question, therefore, came up as to whether the amended report should be adopted, bringing out the fact that the two company bodies had approved it.

### Carlton Fisher's Suggestions

The main opposition came from Carlton Fisher of Rhode Island who contended that the national body should not approve any definite draft but should merely submit a declaration of principles to the states for their guidance in formulating a bill. He said that, for instance, in Rhode Island the state association had agreed on a bill which was stronger than the one approved. However he said that the American Mutual Alliance attorneys urged the House insurance committee to substitute the model bill which had been approved by the National Association of Insurance Agents. While this was misrepresented, Mr. Fisher contended that opposing interests could very readily use an approved act in this way to defeat the will of the agents. It affords an opportunity, he said, to use it as a weapon to defeat a bill agreed upon by the agents.

Evidently the main object in the minds of agents is to prevent automobile dealers from being licensed as insurance agents. Herbert Faunce of New Jersey declared that his state had passed a qualification law based upon the suggested draft of the agency qualification committee. It seemed to be the opinion of the majority that this was the first time in 37 years that company groups had agreed on a qualification measure. It would be a mistake, it was contended, to inject into such an act very restrictive prohibitions that had for their object to keep people out of the agency business.

Mr. Faunce held that any person that could meet the qualifications for a license should receive such.

Mr. Fisher still contended that there should not be specific provisions but that there should be set up principles based on broad lines. The company groups evidently had stated if the suggested act was not desired by a state



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## B. D. O. Discusses Post-War Plans

(CONTINUED FROM PAGE 17)

Delphi, Ind., and the Business Development Office in preparing this pamphlet.

Constant analysis and revision of management details are imperative to good agency management, Mr. McLarry, who is vice-president of the Texas Association of Insurance Agents, said in talking on post war planning for agency management. The conscientious efforts of the insurance industry to fill the needs of the buying public bring new problems. Aircraft insurance calls for careful study now by the agency force to be prepared to meet the public's demand for this coverage just after the war. Automobile will be a field of enormous new premium income following resumption of new car production. The agent must prepare himself for vigorous campaigns in this field to build back his auto premiums. New basic types of construction are on the way so agents must be ready with their own rating organizations to furnish proper protection at proper rates.

The current trend leads to concentration of production in fewer agencies. The agent faces a constant need for continuous expansion of production to offset increased expense and to continue to operate at a profit, Mr. McLarry commented. In his talk he separated

the general office work into 20 functions to be assigned as persons are available, depending upon type of agency.

"Insurance education is of primary importance for the agent and his entire personnel," Mr. McLarry thinks. The sources of this education are many. Some he enumerated such as local study groups, schools, C. P. C. U. courses, individual and continuous study of policies, forms and rates, etc. A continued and well planned training program for all employees is imperative. Holding periodic office meetings is part of education, as is also planning for and concentration on productive and worthwhile accounts. He suggested setting of definite qualifications in the selection of new employees.

### Urges Attractive Office

Mr. McLarry believes an attractive office is a great advertising factor of the agency. It creates confidence in the mind of the customer.

Mr. Duffus said education and constant study are essential in plans for post war production. Many people think of insurance education as something for the younger people in their offices, but believe they personally know all the answers. He said he has at-



J. F. Van Vechten, Akron, Ohio president, takes his seat as state national director for the first time, with C. A. Dawson, Fargo, North Dakota director at his side. Frank R. Bell, Charleston, West Virginia director, is in the background.

tended insurance conventions and schools in 28 states during the past six years and has learned something new and important at each one.

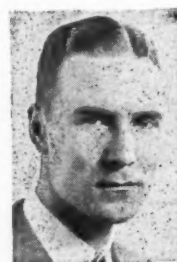
Postwar planning for sales includes community services in many fields. Daily some newspapers carry a column headed "honorably discharged service men." The paper asks the public to phone the military editor and give rank, name, address, date of enlistment and of discharge. Mr. Duffus said there is an opportunity to call on those service men, who may be customers and prospects. Postwar planning calls, too, for plans aimed toward retraining those servicemen who were in the insurance business.

"We owe it to them to see that they are brought up-to-date on all that has

happened in the business since they went away," he said. "Every state association and local board should make plans now for cooperation with state universities and insurance departments aimed toward insurance education for those returning veterans. Those who confine their efforts now to getting all the business they can, while others do the volunteer work necessary in wartime, may have to answer later. Some business men are now building an enviable record for many community good turns—blood bank, bond sales, and other volunteer work. Some, unfortunately, have failed to treat customers, loyal clients, with respect and consideration during a period of shortages. The actions of agents these days determine their postwar success plan."

## Adaptability to Change Needed

Mr. O'Connor said that the importance of planning for change does not lie in the specific details of future developments—which no man can foresee—but in the individual being sufficiently open-minded and flexible to perceive changes, adapt himself to them, even though this may be unpleasant, and take every possible advantage of them. He pointed out that 10 years ago there was no extended coverage endorsement, the personal property floater was permitted only in a few states and eyed with suspicion in those, residence burglary and household furniture fire insurance policies were greatly limited, there was no such thing as retrospective rating in workmen's compensation insurance, no comprehensive liability insurance, no standard automobile liability policy and no medical payments insurance. Some people thought that the federal government might eventually exercise its influence



J. C. O'Connor

over the insurance business, but no one thought that the army and navy would do so.

Emphasizing that the public is the court of last resort, Mr. O'Connor said that after 10 years he still believes that the only way an agent can protect himself against inevitable changes which the individual cannot check is to establish himself with his clients to the point where they demand his services. If he does that, he cannot be eliminated, whether future trends in the insurance business leave him an agent or make him a broker, a direct salesman for an insurance company or a mutual representative. He also pointed out that while many important developments in coverages were pioneered by carriers outside the organizations, these innovations were successful, not because of the carrier or type of carrier introducing them, but because they provided something the public wanted and which the insurance business found it could produce on a sound basis.

Declining to make specific predictions, Mr. O'Connor said that in his opinion insurance men should be prepared for the following trends in the business:

1. A much greater interest on the part of the public in the technicalities of insurance and in the operation of the



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business. Most of this already exists among large buyers of insurance and some of it will trickle down to the small buyers. Also, the present publicity on the Supreme Court decision and the debates in Congress is reminding people that fire and casualty insurance is big business and this will cause more interest and inquiry.

2. An increased inquiry into the economic soundness of every person in the insurance business. This may lead to a reevaluation of the compensation of agents and other producers, based upon what they actually do, rather than upon what they are supposed to do. Mr. O'Connor pointed out that direct writing companies do not hypnotize their employees into working for nothing and that duplication of expense makes much of the disparity between direct writing and agency operation.

3. The possibility of changes in the present lineups of companies and agents. While this may not happen, a man who is planning his future intelligently should be prepared. Neither insurance companies nor agents are compelled to stay with any method of operation unless the arrangement continues advantageous.

4. Still more comprehensive coverages. Mr. O'Connor said that it is pleasant to realize that recent years have shown a reversal of the old trend that innovations in coverage came from "unorthodox" sources and he hopes that this will continue. He said that, for example, sooner or later someone will write comprehensive liability insurance for large groups of risks with a single rating factor, someone will write liability insurance protecting an individual against all possible liability, in and out of business, and someone will write all risks insurance on buildings, at least on dwellings.

#### Trend Is to Socialization

5. A continuing trend of lawmakers to turn insurance into social channels, of which workmen's compensation laws are outstanding examples. He said the uncompensated automobile accident victim has presented a serious problem which is bound to revive as soon as the war is over and a large part of the public is convinced that somebody should pay for every automobile accident. Medical payments insurance was a long step in this direction, but Mr. O'Connor said that if the insurance business does not go farther there is a serious danger that the lawmakers will take the matter out of its hands.

## Finance Companies Before Directors

(CONTINUED FROM PAGE 21)

Massachusetts is in a class by itself, C. K. Steele, Gloucester, reported. It works well. Questions now in the application for motor vehicle license are giving agents trouble. The questions ask applicants to estimate their car mileage for the current year and for a normal year. Insured do not want to commit themselves. They want to know if the information will be used as a basis for making rate changes.

The New York qualification law is a

good one, the license being based upon a strict examination, A. C. Wallace, Goshen, N. Y., commented.

From New Jersey came the suggestion, as a result of the recent hurricane, that companies do not always interpret uniform forms uniformly. Confusion resulted when the hurricane was reported on the way and some companies would and others would not permit agents to bind for windstorm. A uniform rule recognized by all companies is needed for agents' guidance.

When the agency qualification law was passed in Oregon it reduced applications for license by about 50%.

If the business is to continue to have state regulation the business might need insurance commissioners who are career men in that position was another suggestion offered.

At the agency qualification committee meeting at which T. G. Redden, Greensboro, N. C., presided, licensing of auto dealers was a prominent topic of discussion.

Otho E. Lane, president of Fire Association, made one of his rare convention appearances at Milwaukee, accompanied by A. F. Powrie, western department manager.

J. G. Grundle, former secretary Milwaukee Board, who is now secretary of Catholic Family Protective Life of Milwaukee, was on hand greeting his many old friends.

## New Dwelling Form Is Put on Pan

(CONTINUED FROM PAGE 21)

bersome. Harold McGee, Los Angeles, described the difficulties agents are facing with it, emphasizing the differences

a residential form.

The group discussed the California plan for promoting bank financing of automobiles and several states indicated they will sponsor similar plans. There was an animated discussion of licensing automobile dealers and related matters.

Among the points brought out was the fact that in Arizona license examinations are now given by the agents association and that the department of insurance is delighted to pass on this responsibility.



A. W. WHITE

of interpretations among companies in the same office and criticizing the drafters for using the extended coverage endorsement, with many conditions intended for industrial risks, as part of

## MIDDLE WEST

As usual, the middle western conference presided over by George Carter of Detroit, attracted the largest crowd. With practically every seat in the banquet room occupied, Mr. Carter urged insurance men not to be panicky over the U. S. Supreme Court decision. His office, he said, will abide religiously by the Michigan laws and will continue to serve the public as it has in the past.

He characterized insurance as a grass roots and homey business. When a man's home is on fire, all neighbors run to his rescue. Now it is time, he said, for those who believe in the continuation of the insurance business as

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it has been in the past to run to its rescue.

Mr. Carter said that at his recent conference with company executives in Chicago, agents of 16 states were represented. Insurance companies, he said, move in a gigantic circle. It is difficult to get them to act, but eventually they do. He referred to the recent east coast hurricane and the trouble in many localities with awning coverage. The New York rating board, he said, had adopted the new form, which covers awnings, and dated it back to Sept. 1, so assured in that state were protected.

#### Favors Liberalization Clause

Mr. Carter spoke strongly for a liberalization clause, which he termed an "automatic pick up clause" on every policy, giving the assured automatically



W. R. Thomas, Pittsburgh, vice-president; G. M. Landes, Tulsa; Harry Perk, Los Angeles; A. S. Keys, Springfield, Ill., at state directors session.



GEORGE W. CARTER

the advantage of any improvement in the contract which might go into effect in the future, thus making all changes retroactive. He said that insurance should anticipate the wants and demands of the public and not wait until forced to make changes.

Referring to the additional charges for covering priorities losses under use and occupancy and similar policies, Mr. Carter made the flat prediction that they would be abolished by Jan. 1.

Turning to the moot question of protection against damage from "V-Day" celebrations, Mr. Carter said that he was not impressed with the hazard, that he had seen similar celebrations in New York and Detroit and saw little danger. He quoted the advice of the Explosion Conference that an assured having riot and civil commotion and malicious damage insurance would be covered, but said that competent legal advice indicated that this was by no means certain. At least one company intended to bring out a policy specifically covering this hazard and others

are seeking means for providing this under existing policies.

He said the general feeling is that all should coast along until a loss occurs and then decide the matter. Mr. Carter also pointed out that the Factory Insurance Association policies include civil strife, but ordinary policies outside these channels do not. This, he said, should be changed. He also doubted whether it is worth while to sell vandalism insurance. Because, as he put it, "the form has so many words in it and yet does so little." Losses, he said are few and far between.

#### Cover on Furs and Jewelry

Mr. Carter said that in the war damage policy there is \$1,000 coverage on furs and jewelry, but in the personal property floater there is a \$250 limitation. He said that by all means the \$1,000 limit should be introduced, even if it is necessary to increase the premium somewhat. He said that agents should be prepared to take care of aviation coverages because that will be a great source of business in the future. They should become fully cognizant with all types of coverage. He objected to the extended coverage endorsement in that damage to fences is not covered. He advocated the gross earnings form now used on use and occupancy for mercantile risks to be applied to manufacturing enterprises. He called attention to the fact that the present tax law will have an effect on use and occupancy calculations. The companies, he added, are now studying this subject.

Mr. Carter in his 1942 conferences was very severe in his condemnation of the companies in combining the Factory Insurance Associations. He insisted that Western Factory be maintained as an absolute independent unit. He asked leave to withdraw his statement, as he said the companies had acted in good faith and were allowing the midwest branch of the Factory Association to continue the policy that the independent organization had followed.

Mr. Carter said that he was very much irritated by the announcement that the National Association of Insurance Agents would have only a stream-

lined or bobtailed convention and attempted to discourage attendance. He said that in Chicago there were 10,000 people attending the National Safety Congress, a very important enterprise. He declared, however, that insurance is just as important and necessary and said that there should be no attempt to diminish its prestige. In these days he contended it is exceedingly necessary for insurance men to assemble and discuss the changing conditions of war time, the demands of today and the possible ones of tomorrow.

#### EASTERN GROUP

The predicament of the agents in the northeast with reference to binding for windstorm coverage in the face of hurricane warnings was given much discussion at the eastern territorial conference Monday morning. Need for more uniformity in interpreting the new dwelling house form was also much discussed. A revamping of commission scales was on the program for discussion.

C. I. Fisher, Providence, R. I., presided and led off with a roll call of all states to give the delegates an opportunity to list any subject for consideration of the meeting.

#### Disparity in Practice

Lack of uniformity on the part of companies some of which permitted agents to bind windstorm coverage while others did not back up the agents who did bind during the period preceding the recent hurricane, was discussed at length. Several resolutions were presented but all withdrawn. C. K. Steele, Gloucester, Mass., said he believed the agents were bound by common law practice not to write a risk in the face of impending catastrophe. Some companies refusing to accept binders did so on that ground. Others suggested that a waiting period as in hail policies and sickness policies might be the solution.

Recognizing that some of the southern states have faced the same problem without misunderstanding a delegation was sent to ask the practice and experience of Florida. In that state the agents bind for windstorm regardless of the kind of signal given by the weather bureau until the hurricane signal is raised. This denotes a gale of 70 miles an hour or worse is on the way. No binders are issued by agents or accepted by the companies after the hurricane signal is up. If the signals are for lesser storms agents can bind for wind coverage. J. W. Rose, Buffalo, said he did not like any suggestion that limitation be put on the legitimate binding authority of agents.

When the report of New York examiners suggested that the actual value auto policy be discarded in favor of the

## Separate Surety Committee Urged for Each State

MILWAUKEE—The 15 members of the surety committee of the National Association of Insurance Agents attending the meeting at Milwaukee Sunday night agreed that the fidelity and surety business is so different from the casualty business that state associations should be urged to create special fidelity and surety committees, as the National association did last year.

H. F. Warner, Kansas City, chairman of the surety committee, presided and discussed his report with the members. Mr. Warner said the past year has brought about considerable preliminary discussion of problems which, in time, will undoubtedly bring about various changes and improvements to the advantage of agents, companies and the public. Much work has been done which in his opinion, will in the long run bring about results which will be favorable to the business.

"I know," Mr. Warner said, "that you all realize that this war has brought about certain conditions which upset our picture as it appeared prior to the war. It has also enabled us to recognize certain conditions in existence prior to the war which very badly have needed attention for several years."

"The various phases of the fidelity and surety business have been up for consideration between a special committee representing the various agents' and producers' organizations and a special committee of the Association of Casualty & Surety Executives."

"The problems which have been discussed and which are still under consideration will probably be taken up in the near future. I cannot emphasize too strongly the importance particularly of two phases of the fidelity and surety picture to which more and final consideration will no doubt be given in the near future. One is the acquisition cost and the question of graded commissions that goes along with it. The other is the matter of public relations that can be developed very favorably through the medium of broadened bond forms and code of fair claim practices in the future."

#### Milwaukee Board Entertains

The Milwaukee Board of Fire Underwriters gave a dinner for the National association officers and staff and their wives Saturday night at the Wisconsin Club. This follows the tradition of National association meetings.

Fidelity & Deposit and American Bonding followed their usual custom of distributing morning newspapers to each person in attendance. Vice-presidents H. L. Dunn and J. G. Yost were present from the home office.

stated amount policy came up, many delegates registered opposition to such a change.

A study of all commissions with the thought of adopting more equality throughout was considered. The scale for many was adopted years ago. Conditions are different today. Have commissions reached a bottom, and is the 15% commission on inland marine too low, were questions asked.

A resolution directed to the liaison committee of the N.A.I.A. was adopted. The resolution recognized that agents have an obligation to take care of the best interests of the public and also that the hazards in each state differ, so the companies are urged to consult with organized agents in each state prior to promulgation of policy forms or rules and interpretations of forms. This followed a discussion regarding lack of uniformity in interpreting the new dwelling and contents form.

**Globe and Rutgers  
Fire Insurance Company**

**American Home  
Fire Assurance Company**

111 WILLIAM ST.



NEW YORK

## Senate Committee Touches Insurance Topics at Hearing

### Blue Cross Operations Scanned at Labor Subcommittee Session

WASHINGTON—The "development of the social insurances" as one method of raising the standard of living and improving health of the people was alluded to by Senator Pepper of Florida, chairman of the Senate labor subcommittee on wartime health and education, in opening a hearing before that body at which a number of witnesses testified concerning such matters as health insurance, "socialized medicine," Blue Cross hospital insurance plans, workmen's compensation with relation to disabled veterans, service persons' insurance and pensions, and other subjects.

Vice Admiral McIntire, Navy surgeon general and personal physician to the President, said that "it is questionable whether compulsory medical care should ever be imposed on the citizenry at large, but certainly some form of health insurance, call it what you may, is necessary if the man in the low-income bracket is to be able to procure adequate medical and hospital care for his family and himself."

### Need Civil Medical Aid

Methods should be worked out by congressional committees, he suggested, but responsible civil medical organizations should participate. Admiral McIntire thought the federal government could well help health clinics and that "there are many ways in which the government could help without bringing about the dreaded so-called socialized medicine."

The admiral, in response to a question by Pepper for an opinion relative to health insurance and the making available of medical care, said this form of insurance is being experimented with by the District of Columbia Medical Society, method of which he described as good, and added he believed "we must come to some sort of prepaid medical care" but that the medical profession must "operate directly" in it.

In connection with testimony regarding veterans benefits, rehabilitation, training, etc., Gen. Frank T. Hines, veterans administrator, submitted the following figures among others:

Applications: National Service Life Insurance received to May, 1944, inclusive, 15,217,000; pending, 207,000; U. S. Government life received 1,210,000; pending 1,310.

Claims: to May, 1944, inclusive, NS disability waiver of premiums, received, 20,710; death, 84,140; pending 7,600 disability, 3,200 death. U. S. Government life, received during May, 112 disability, 588 death; pending 98 disability, 192 death. Term and automatic pending, 16 disability, 4,163 death.

Initial burial awards during May, 4,548.

Insurance cases adjudicated to May 31, 1944—war risk term and automatic, 224,276 death, 35,693 disability; U. S. Government life, 78,152 death, 16,673 disability.

U. S. Government life policies May 31, 1944, \$79,574, amount \$2,497,754.

(CONTINUED ON PAGE 50)

## Wants Broader Surety Coverage

### Buyer Suggests Improvements in Talk Before New York Group

NEW YORK—A broad, comprehensive dishonesty coverage at low rates simply arrived at and handled with facility would be an advance of major importance for the insurance companies, E. L. Clark, insurance buyer of the J. C. Penney Company, told the New York Surety Underwriters Association. The current comprehensive dishonesty, disappearance and destruction policy is a step in the right direction, but its cost makes it prohibitive to most buyers, he said. Dishonesty is a common risk to all businesses. Its protection should be as important as fire and liability coverage and its spread should be as universal in most companies. What is needed is comprehensive dishonesty insurance at a cost that will develop popular demand.

He suggested that a reduction must be made in the rates of all forms of dishonesty insurance, either from the viewpoint of state regulation or to meet competition. "This means that the selling of these types would be even less attractive to the producer who has never felt that the specialized effort required was warranted by the amount in dollars he received even though the percentage of commission seemed adequate," he stated. "Good merchandising would dictate the selling of better quality at an increase in price rather than reducing the cost of a slow selling item."

### Greater Market After the War

The market for dishonesty insurance will greatly broaden with the end of the war. Plans in sight show many new businesses will be started or reopened and many new ventures undertaken by existing corporations—all prospects in addition to the existing large unsold market. Insurance companies to tap this market should offer something that will attract producers, "something easily understood, therefore easily sold; something attractive to the buyer that will protect broadly against losses that may be sustained, real losses that might affect his corporation's financial structure or take off a sizable slice of its earnings. This would not be a bunch of complicated and individually expensive policies that would require the buyer to guess where his loss is going to occur and how much at each point."

Buyers have tried unsuccessfully to do that for years, he said. Witness the experience in fidelity cover alone, where a recent study shows that out of 571 insured fidelity losses, \$6,000,000 of such losses were in excess of the fidelity coverage.

### Favors Deductible Feature

One policy, whether covering dishonesty of employees or public, including burglary of safes, hold-up, forgery, or infidelity is desirable. A deductible or franchise feature, making the cost less, would make it more acceptable. Most reputable buyers are not anxious to insure the small mine run loss, but want broad protection of the serious losses.

A charge similar to the engineering charge in the fire and liability rate structure should be included in the rate structure in consideration of which the carrier would have a loss prevention audit by trained experts made of insured's accounting methods and other protection against theft and similar dishonesty, including check of the insured's employees.

The recent trend to avoid bond appli-

(CONTINUED ON PAGE 50)

## Private Flyer Asks Lower Air Insurance Costs

The "Saturday Evening Post" of Oct. 7 carries an article on the cost and difficulties of light plane operation, entitled, "I'll Get In My Little Plane and—Zip!" Wesley Price presents some sobering facts regarding the problems of weather, lack of adequate landing fields, distance of hotel accommodations from airports, etc.

"Insurance is right out of this world," he states in his article, adding that it costs \$352 a year to cover a \$2,000 plane for aircraft damage, including crash, \$5,000 property damage, \$5,000 liability for one passenger, and \$5/10 public liability. In addition, he points out, he must buy "special private flying life insurance" on which the premium is \$100 a year for \$10,000 coverage. This runs the insurance cost up \$452, which, on the basis of his figures, is almost half the total annual cost of operating a light plane.

### Cost Per Hour

He states that it costs \$1,009 to operate 100 hours per year and \$1,186 to operate 200 hours. Storage, depreciation and insurance are the same for 200 as for 100 hours but the two figures for gas, oil and upkeep are \$354 and \$177. This averages about \$10.09 an hour for 100 hours and \$5.93 for 200 hours. In addition, there is the expense of phoning for weather reports when out touring in a light plane, storage and maintenance, hotels and taxicabs. The article describes a trip from Mr. Price's home in Armonk, N. Y., to New Orleans and return.

Perhaps the most discouraging thing about private flying Mr. Price finds in a trip of this kind is the amount of time spent waiting for flyable weather, which on the trip he describes took the same time as that actually spent in the air. It also required considerable time getting to and from airports, and even more to stop for gasoline, weather information, checkups, etc.

The "Saturday Evening Post" in the same issue carries an editorial which urges that if the country is to realize on its present expectations of widespread, satisfactory private flying after the war, there should be a substantial reduction in insurance costs, increased airports, less complicated air and flying regulations which the prospective flyer must learn in order to get a license, etc.

## Conn. Governor on Card of N. Y. Federation

Governor Baldwin of Connecticut will be the luncheon speaker at the annual meeting of the Insurance Federation of New York Nov. 28 at the Hotel Astor. G. A. Buckingham, secretary of the insurance section New York Board of Trade, has been named to the convention committee and will have charge of hotel arrangements.

## Reports on Army Air Losses

WASHINGTON—The army air force reports on aviation losses on the home front since Pearl Harbor as follows:

Fatal flying accidents, 5,600; 11,000 men killed; average in aviation training, one fatal accident per 2,700,000 miles flown; fatality rate, two for every 100 men entering training; 95 out of every 100 entering training complete it without injury; plane losses with United States, 17,500, including 11,000 in wrecks; about 2,500 retired from flying, but still used in ground instruction, and about 4,000 worn out by continued use.

## John O'Neil New Casualty-Surety Agents President

### Executive Committee Meets in Chicago with O'Gorman Presiding

John E. O'Neil of Boston was elected president of the National Association of Casualty & Surety Agents at a meeting of the executive committee, attended by 17 in Chicago Monday. Mr. O'Neil has been the vice-president. He succeeds Lew H. Webb of Conkling, Price & Webb, Chicago, who had been in office two years.

Mr. O'Neil was unable to attend the



JOHN E. O'NEIL

Chicago meeting and Mr. Webb was confined to his home by illness.

Presiding over the Chicago session was W. D. O'Gorman of Newark, chairman of the executive committee. He was reelected as chairman and Charles H. Burras, president of Joyce & Co., Chicago, who made the arrangements for the Chicago gathering, was reelected secretary-treasurer, a position he has held for many years.

The group got together at luncheon and held discussions throughout the afternoon and then there was a cocktail party and dinner at the Ambassador East Hotel. Special guests for dinner were Spencer Welton, vice-president and Chicago manager of Massachusetts Bonding, and H. E. Reeves of Joyce & Co., Chicago.

### Look Forward to Joint Meeting

There has been no annual joint meeting of the agents' association and the International Association of Casualty & Surety Underwriters since 1941, and the leaders in the agents group, at Chicago, expressed a longing for the resumption of those meetings which were so highly prized during the past years. A committee was appointed to confer with the company executives as to the possibility of holding such a gathering next year, the committee consisting of Mr. O'Gorman, John T. Harrison, New York, and H. W. Schaefer, New York.

Wade Fetzer, chairman of W. A. Alexander & Co., Chicago, served as



chairman of the nominating committee, the other members being B. W. McCluer, Kansas City; C. A. Abrahamson, Omaha, and Joseph F. Hickey, St. Louis.

Added to the executive committee were Wheaton A. Williams of Minneapolis and Frank Spratlin of Atlanta. T. E. Braniff of Dallas and Oklahoma City went off the committee.

Discussion was held on a number of current topics including the recommendations of the multiple line committee,



W. D. O'GORMAN

workmen's compensation retrospective rating plan, post war planning for surety and fidelity bond business. Messrs. Burras, O'Gorman and Harrison have been participating in the meetings of the committee on post war planning for surety and fidelity. There was a report on the recently organized liaison committee representing companies and producers, the casualty agents being represented on the committee by Mr. O'Neil. There was a report on the public relations program of the N.A.I.A. that was participated in by the casualty agents. Mr. O'Gorman, Mr. O'Neil and Robert C. Knox of Hartford have been representing the casualty agents on the public relations committee.

There was much discussion on the effect upon casualty and surety general agency business of the U. S. Supreme Court in the S.E.U.A. case.

In addition to those previously mentioned, members of the governing committee attending included V. J. Armstrong, Jacksonville, Fla.; C. M. Bend, St. Paul; George W. Blossom, Jr., Chicago; Carl P. Daniel, St. Louis; J. Elliott Hannon, Cleveland; Cliff C. Jones, Kansas City; E. R. Ledbetter, Oklahoma City.

A number of those attending went to Milwaukee Tuesday for the meeting of the National Association of Insurance Agents.

#### Aviation Committee Meeting

WASHINGTON—The special aviation committee of the U. S. Chamber of Commerce is scheduled to meet in New York, Oct. 25.

The aviation group is expected to consider problems arising in connection with aviation insurance and proposed legislation with respect to aviation regulation, etc. Congressional legislation proposing for civil aeronautics board increased authority with respect to aviation insurance studies, control, etc., and for a federal aviation insurance revolving fund is hardly expected to pass Congress before it finally adjourns with the new year.

The chamber's social security committee is to meet here Oct. 26.

#### Camden Office Moved

The Travelers branch at Camden, N. J., has been moved to the West Jersey Trust building, 130 North Broadway at Cooper street.

## Sayer Tells Role of W. C. Insurance to N. Y. Labor Dept.

NEW YORK—The function of insurance in workmen's compensation and why insurance occupies the important part it does in the compensation system was the topic of an address by Henry D. Sayer, general manager of the Compensation Rating Board of New York before the industrial board, officials and referees of the New York department of labor.

Mr. Sayer emphasized that the rate is theoretically and accurately proportioned to the hazard of the particular industry, and that the rates reflect experience promptly. No other form of insurance is so carefully supervised and regulated, he said.

#### Insurers Are Essential

The compensation system could not operate without insurance carriers, he said. The payment of compensation over a period of years could not be left to "the tender mercies or questionable stability of a non-insured employer, expecting the latter to make payments as they may be required." There are cases being paid by carriers today that are almost 30 years old.

He emphasized that the principal executives of the insurers have a broad conception of their responsibilities to injured workmen. While the hearing representatives of the insurers are not perfect, he added, if every employer self-insured, there would be a hundred thousand employers coming before the industrial board every year individually. The insurance man does know something about the law and procedure, he said. There are differences of opinion that arise, but he pointed out that a company has no right to pay money that it does not owe. He urged cooperation between the board and the labor department.

## Consider Basing Mass. Rates on Auto Mileage Records

BOSTON—The possibilities of using mileage records in determining automobile liability rates are being considered by Commissioner Harrington. Applicants for renewal of driving licenses in Massachusetts are being asked for the first time to state the number of miles they have traveled in their cars during 1944, as well as estimate the number of miles they expect to drive next year, the latter based on their customary prewar driving. The information will be studied to determine its value for possible use in rate making "at some future time" under the compulsory law.

#### Mass. Banks Have Medical Plan

Member banks of the Massachusetts Bankers Association have launched a statewide plan for financing doctor and medicine bills on a monthly repayment basis. The plan is endorsed by the Massachusetts Dental Society and Massachusetts Medical Society, and is entitled the "Blue Triangle Plan." Any Massachusetts citizen can apply for a Blue Triangle loan to any participating doctor or dentist. There is a short application form to be filled out by the patient who desires to pay in installments. The doctor or dentist completes the required health service and if the application is approved by the local bank the patient signs the form. Repayments are made directly to the sponsoring bank by the patient in six to 12 monthly payments and the doctor receives his money from the bank.

#### Licensing Talk in N. J.

NEWARK—The Casualty Underwriters Association of New Jersey at its luncheon meeting heard a talk by W. J. Snediker, chief of the licensing department of the New Jersey department.

## Stockholders O.K. Standard Capital Boost, Fire Insurer

Stockholders of Standard Accident at their special meeting approved the investment of \$2½ million in the stock of a new fire insurance company to be wholly owned and operated by Standard. Of all shares represented at the meeting 139,488 voted in favor of the action and 100 against. The organization of the new fire company is now under way and when completed the company will be in a position to write general fire, marine and related lines.

Stockholders also approved increasing the authorized common stock of Standard by 175,938 shares and the offering to stockholders of the right to subscribe for this stock at its par value of \$10 per share, on the basis of one share for each share held.

The Standard Accident has just announced that its registration statement under the securities act covering 175,938 shares of its common stock and subscription warrants related thereto became effective Oct. 9, and the transferable subscription warrants and prospectuses with respect to such new shares are in course of being mailed to stockholders.

The warrants entitle present stockholders to subscribe for the new stock at \$10 per share on the basis of one new share for each share of common stock held of record Oct. 9. The period for exercise of the warrants will extend to 3 p.m., eastern war time, Oct. 27. Any warrants not exercised by that time will become void. "Since the subscription price under the warrants is substantially below recently prevailing market levels for the common stock it is of importance that stockholders either exercise or dispose of their warrants before the above date," President C. C. Bowen observes.

The net profit of Standard Accident for the 12 months ended June 30 before realized profits and losses on investments and before surplus adjustments but including the increase in premium reserve equity amounted to \$3.14 on the 351,876 shares of common stock to be outstanding. If the entire number of shares offered are sold on a similar basis the approximate liquidating value of the 351,876 shares of common stock would have been \$47.23 per share on June 30. Subject to changes in factors affecting dividend policy it is the present intention to declare a quarterly dividend of 36¼ cents per share payable Dec. 5, or at the annual rate of \$1.45 per share on the common stock to be outstanding.

#### Olympic National to Write A. & H.

Olympic National Life of Seattle has added \$100,000 to policyholders surplus, equally divided between capital and surplus, for the purpose of adding accident and health to its facilities. This brings capital stock to \$150,000 and surplus to \$100,000.

Ed Peithman, attorney who has adjusted accident and health claims for many years in Oregon and at Seattle, has been elected vice-president of the company and is completing a kit of accident and health policies and contracts. For the past year he has been manager of the Cooley Co. at Seattle.

The company has leased the ninth floor of the Empire building, Seattle, to take care of its expanded activities.

Olympic National began business in 1934 as Olympic Mutual Life. It was reinsured by Olympic National Life in March, 1940, both companies being under the same management.

The Houston office of the Hooper-Holmes Bureau has moved from the Kress building to 401 Keller building.

## May Act Against Cal. Insurer with Stock Broker Tieup; Eye Cancellation Practices

LOS ANGELES—Whether the insurance department should seek a conservatorship for a California insurer because of financial practices including purchases and sales of securities on behalf of the insurer by and through a stock broker firm operated by officers of the insurer, and payment of commissions to the brokerage firm, is a matter of administrative discretion, Attorney General Kenny has advised Commissioner Garrison.

The purchases recited by the commissioner involved considerable loss to the insurer in some cases, but he stated in his letter to the attorney general that the insurer, a stock company, is solvent, and the latter comments that apparently there is no immediate danger of insolvency as a result of these practices. He holds, however, that they do constitute a violation of law. Other alternatives suggested by the commissioner were requiring payment to the insurer by the officers of losses suffered or requiring resignations of the guilty officers. The attorney general's opinion lays down several general principles that might apply if action along any of these lines were decided upon.

It also takes up a complaint regarding the cancellation practices of the same insurer, particularly that of retaining the entire premium in case of total loss from any one hazard insured, such as fire, on a policy which contains a schedule of coverages, with a definition of each coverage and the premium therefor, in the form common in automobile policies. The attorney general holds that this is neither in accordance with the law nor the terms of the policy.

## H. F. Hammond Joins American Transit Assn.

Harold F. Hammond, director of the traffic and transportation division of the National Conservation Bureau, accident prevention division of the Association of Casualty & Surety Executives, who is president of the Institute of Traffic Engineers and a national authority on street and highway engineering, public transit and motor vehicular transportation and traffic safety, has been appointed manager of the Washington office of the American Transit Association.

While with the National Conservation Bureau, Mr. Hammond developed many important traffic engineering services and materials, and also worked extensively in cooperation with other agencies. During the war, he has served as a traffic and transportation consultant for the ODT, the army and navy. He also acted as traffic consultant to key war centers, war industries and transit companies.

Mr. Hammond, in addition to being president of the Institute of Traffic Engineers, is a member of the American Society of Civil Engineers, Society of Automotive Engineers, and the New Jersey Professional Engineering Society.

#### W. C. Settlement Bureau in N. J.

A workmen's compensation settlement bureau has been created in New Jersey to engineer the settlement of as many cases as possible without formal hearings. The director is Thomas J. Holwerda, who has been a referee in compensation cases handling informal hearings in Newark, Elizabeth and other northern New Jersey cities.

#### Okl. City Claim Men Elect

Richard Wright, Tri-State Casualty, has been elected president of the Oklahoma City Claim Men's Association. James Duley, Maryland Casualty, is vice-president and Pat Malone, Commercial Standard, secretary-treasurer.



## Says Potentialities in Bank Finance Field Enormous

(CONTINUED FROM PAGE 5)

man, he predicted, will be obliged to discard some of the devices of past exploitations. The moral level of the business will have to rise to a higher quality of performance.

### Old Organizations Will Return

Mr. Umberger observed that automobile financing organizations which were active in the business prior to the war will continue to have a place after the war. The existing concerns, it is expected, will do even a better job than heretofore. Additionally more and more organizations are planning upon entering the field. More than 10,000 banks have indicated that they will enter the arena.

If the bank's motive in entering the field is to displace the well organized, experienced and well administered finance companies the result will not be anywhere near what "some credulous bankers are anticipating," he asserted.

The more logical and practicable expectation is that both banks and finance companies will have their future place on the basis that the country will require expanded facilities in order to service the expanding volume of business. Proceeding upon that basis it is likely that the banks will have an important opportunity and their efforts will be attended by a high degree of success. Moreover it is likely that the total motor trade, from the manufacturer through the dealer will regard the entree of banks into the field as a wholesome and stimulating factor to round out the financing phase of automobile distribution.

### Shades of Attitude

There are shades of attitude in the approach of banks to auto finance and in their methods of handling the business. In the main, however, all ideas are reduced to two major methods of operation. One is the method under which the bank competes for the business through the dealer and that is known as the indirect method. Such a banker is competing on the pattern of the existing and successful finance concern. This is essentially an operation of buying paper and the bank will buy the run of the mine paper. It is the package plan under which the merchandise, the insurance and the money become integral. In this indirect method the participation of independent insurers and agents is narrowed. Frequently the writing agent takes but a perfunctory part in a countersigning capacity.

### DIRECT METHOD

The direct method is that under which the bank singles out each deal on an individual basis. There is involved a distinct separation of the elements of the transaction—the merchandise, the insurance and the money. The banker is essentially advancing money to a direct customer and each deal stands on its own bottom as to credit standing and collateral values.

More and more banks, he said, are becoming aware of the high merit of the direct method. The opportunity afforded to the insurance agent is marked. Every insurance man may participate up to the point where he is not restrained or influenced by contractual arrangements or commitments.

### Both Stimulate Each Other

Both methods have to be good in order to obtain a hearing. No feeble or ineffectual plan can survive in a country of go getters. With the two sharply defined systems operating each must keep on its toes and up to the mark. That has a beneficial effect upon the customers. A preliminary poll of the banks indicates that there will be about an equal number on each side of the

fence and some will try to do business both ways.

Mr. Umberger went on to give an account of the technique employed by his bank in putting into effect the direct method.

Of the total volume of \$21 million about \$8 million represented direct production of insurance men in Chicago and another \$5 million was traceable to the good offices of the bank's insurance friends. The rest of the business was created through the good will and following of the bank itself.

### Lends on the Person

Industrial National Bank bases the acceptance of credit first and foremost upon the financial and moral responsibility of the individual, its slogan being: "We lend to men and women who happen to buy or own automobiles, rather than advance credit on automobiles which happen to have owners or buyers." It is a matter of lending on human beings, not lending on inanimate things. He said there seems to be some very direct relationship between quality credits for the moral risk and the filing of claims against insurance policies.

### CREDIT FACTORS

The bank applied the same rate regardless of whether a car was new or used. Despite the fact that even though it is a trade practice to make a distinction, Industrial National Bank is not at all sure that the distinction is primarily based upon the factor of operating cost, credit loss or unit denomination of credit. It is inclined to believe that new and used car rate differential is a way of equalizing factors which exist when merchandise, insurance and money and, perhaps, undisclosed factors are thrown into one package.

### Doesn't Require Insurance

The bank does not require that the customer carry any insurance whatsoever for the protection of the bank's interest but it does strongly urge that the customer be insured for his own protection. The bank believes that insurance should not be an integral part of the credit, that a customer should not necessarily be obliged to take insurance in order to assure himself of obtaining the balance of the purchase price of a car. Neither small people nor big concerns like regimentation. Individuals may accept a proposition on the terms and conditions of a lender but that does not necessarily mean that the customer is sold on the terms and conditions exacted. The bank's proposition is that the buyer may choose whether he will or will not have insurance and if he chooses insurance it should be placed with the agent of his choice. When insurance was written in any deal the bank did not participate directly or indirectly in the premium or the commission.

Thus the bank was able to talk with the customer with clean hands. The bank constantly emphasized that the buyer should protect himself against the possible loss of the equity in his car, obligations which he left behind him to pay in order to have a sense of security and peace of mind toward the proper protection of his own interests.

### Provided Sales Aids

The bank went before the public in the metropolitan newspapers and through the use of other media to make known that the bank was in the field of handling loans and sales transactions in the motor trade. It provided sales aids for the insurance men in the form of booklets, postcards, blotters, stickers, etc., that the agent dispatched by mail or by personal distribution to his own prospect list. These agent-aids were individualized.

The material for the imprint of the

agent then gave address and telephone number. It was provided at the expense of the bank. In its last big campaign prior to the war the bank provided Chicago insurance men with 2 million pieces of advertising material.

Mr. Umberger stated that the bank emphasized that the plan is "an established way of doing business." This counteracted any notion that the plan was a side issue, the hobby of one man or an exceptional way of financing an automobile. It was a major mode of doing business paralleling the finance company method which theretofore had been regarded by the public as the only way.

Customers who came to the bank first would obtain the necessary credit applications and other papers to proceed with the deal. The bank ascertained who the customer's insurance man was so as to make sure that if insurance were concerned it would be placed with the insurance man of the customer's choice.

### Procedure Expedited

While many insurance men came to the office to initiate and conclude a transaction either with or without the customer, insurance men and their customers were not obliged to come to the bank at all. The transactions could be cleared over the private phone and special delivery mail order department. An insurance man could originate a deal, obtain a credit statement and car description, phone the essentials into the bank and within 10 minutes or so the bank could advise the agent that the deal was accepted.

The bank acted as a clearing house to remit the appropriate amount to the dealer, obtain assignment of title or interest payable clause and turn over to the insurance men the entire premium. The customer received from the bank an exact copy of the paper that he had signed showing the deal broken down into detail and a schedule of the dates of his instalment payments.

The quality of the business was high and the losses were low. The bank did not cater to bad credit. Insurance men didn't waste their time in soliciting prospects who lived in a flop house. The bank was not concerned with submarginal deals. The rating of deals depended upon the standing of the car owner and buyer.

Once the momentum was established the operations advanced at an accelerated rate. The banker was doing business on a broad base of good will and was not threatened by loss of his sources overnight by competitive bidding.

Mr. Umberger spoke enthusiastically of the satisfactory settlement of claims. The bank had none of the headaches which from time to time are reported from some other sections of the trade.

Through the insurance men came the automobile business and the bank was able to trace through their reference many another piece of business in the other operating departments of the bank.

### "Walk in" Transaction

Wherever insurance was a part of a "walk in" transaction all of the insurance went to the insurance fraternity. Moreover as the bank became intimately acquainted with insurance men it ran into pieces of business other than automobile financing which it was pleased to refer to its insurance friends.

There were no finder's fees or splits. The walk in business was a substantial reward to the insurance man for his effort. The avoidance of kickbacks or splits enabled the bank to offer prime low rates to the customer.

Some banks do not warm up to the direct method and dislike to have the practice discussed because of their timidity of stepping on the dealer's corns. Mr. Umberger declared that the dealer

## Aero Issues Booklet for Use by Flying Clubs

Aero Insurance Underwriters has issued an additional booklet on flying clubs, prepared by the engineering department, which deals with proper organization and good management. Previously it had prepared "a guide to members of flying clubs" which pointed out some of the dangers to be avoided in club organization and member activities. The new booklet covers all phases of flying club activity, gives the exclusions in insurance available for such clubs, civil air regulations, etc.

Aero also has issued "Sparring with the Weather" by Robert N. Buck which contains considerable information on the problems of weather which the private flyer must meet.

## N. C. Rates Reduced 9.9%

RALEIGH, N. C.—Commissioner Hodges has announced an average over-all reduction of 9.9% in workmen's compensation rates, effective Oct. 1.

The reduction will result in an estimated drop of more than \$600,000 in compensation premiums on the basis of the year just ended.

## Chicago Group to Hear Attorney

Frank Peregrine, attorney, will discuss the employment of under aged persons and child labor under state and federal labor acts at the meeting of the Casualty Engineers Association of Chicago Oct. 13. The dinner meeting will be held at the Y.M.C.A., 19 South La Salle street. Mr. Peregrine will deal with the insurance as well as legal aspects of child labor.

## Iowa Federation Meets Oct. 16

DES MOINES—The Insurance Federation of Iowa will hold its annual meeting here Oct. 16. Alex R. Nelson, head of Hawkeye Casualty, now is president.

## Honor 15-Year Employees

Underwriters Adjusting, Chicago, Oct. 13 feted 25 women employees with the organization 15 years or more, 18 from outside the city. There was luncheon, a visit to the head offices, and dinner.

Curtis E. Miller has been named accountant in the Chicago office of Ocean Accident and Columbia Casualty. He has been handling plate glass and burglary matters.

The Virginia State-Wide Safety Conference will be held at Richmond May 24-25. Bolling H. Handy, president of Old Dominion Life of Richmond, is chairman of the program committee.

is not too enthusiastic if on a wholesale basis the bank plan affects his opportunity to use his own finance plan in which he has a participation but the dealers do hold the banks in wholesome respect and that "while the dealer will damn us with faint praise our name is not anathema."

Dealers have referred to Industrial National Bank the business of independent minded shoppers who insist they want to pay for the car in their own fashion. In the long pull, he predicted, both the bank and the army of insurance agents will become in a sense automobile salesmen and in the overall picture help the dealer to sell more cars.

From a customer's standpoint there is a wide segment of men of moderate circumstances who do like to deal with a bank. Subconsciously they have a high degree of confidence and respect for both the bank and the insurance men in their auto financing transactions. They know that both banks and insurance companies must operate on high ethical standards, they know there exists professionally a sense of trusteeship and this spirit of acceptance and confidence of the individual is one of the most effective factors.



## ACCIDENT AND HEALTH

### National Health Care Plan Favored

NEW YORK—A report recommending medical care for "all people in all areas of the country" was adopted by the American Public Health Association at its annual convention here. Dr. J. W. Mountin, assistant surgeon general of the U. S. Public Health Service, headed the subcommittee on medical care and gave the report.

"A national plan should aim to provide comprehensive services for all the people in all areas of the country," the report asserted. "In light of present day knowledge, the services should include hospital care, the services of physicians (general practitioners and specialists), supplementary laboratory and diagnostic services, nursing care, essential dental services, and prescribed medicines and appliances." Because of "inadequacies of personnel and facilities," today, "this goal can't be attained at once; but it should be attained in 10 years." Later Dr. Mountin said the 10-year period would start after inauguration of a national plan.

Funds would come from "social insurance supplemented by general taxation, or by general taxation alone." Social insurance alone would exclude certain economic groups and might as a result disqualify certain parts of the population from general health benefits. Financing should be on a national basis, in accordance with one's ability to pay, and with the states participating with the federal government.

Extensive construction of hospitals and medical centers is called for. Federal aid was urged for states so they may make grants to voluntary and other agencies for new building and expansion necessary under wider medical care. This phase, it was suggested, should be administered at the federal level by the U. S. Public Health Service because of its experience.

### Neel Urges Nation-Wide Hospital Plan Reciprocity

Several suggestions intended to help Blue Cross hospital plans to do a better job than any federal-subsidized plan would do were offered by Commissioner Neel of Pennsylvania at the convention of the American Hospital Association in Cleveland.

He listed as a "must" that subscribers be given full access to hospitals which are members of the plan where the member may be at the time of illness. To obtain this result he urged nation-wide reciprocity between plans on a service basis only—promising the subscriber who is away from home only "such benefits as that hospital is then providing to subscribers of the hospital service plan of which it is a member."

He said the paramount issue, which must be met by the combined efforts of commercial carriers and hospital plans, is to prove that private enterprise can make hospitalization and medical benefits available to all and he said that is more important than the earlier need "to adhere to the safety of group selection."

He said the hospital plans should endeavor to sell service benefits only as coverage supplemental to that of the commercial carriers, rather than to take the attitude that so-called hospitalization insurance has become the exclusive privilege of non-profit plans.

### Sterling Entertains in Its New Home Office Building

Sterling of Chicago gave a house warming reception in its new building at 737 North Michigan avenue last Saturday afternoon. Some 700 visitors came to pay their respects and look over the building. There were a number of radio people on hand, artists who had ap-

peared on Sterling programs, people who had business connections with Sterling, personal friends of President L. A. Breskin and other officers. There were many bouquets. Refreshments were served and an orchestra played during the afternoon.

Mr. Breskin was buttressed by Vice-president B. H. Sachar, Treasurer Frank X. Moose, General Manager G. E. Holmquist, Assistant Secretary Miss Dorothy Pinder. The directors were present, officers and 61 employees who have been with the company three or more years. Young women employees acted as guides and hostesses. The directors aside from Mr. Breskin and Mr. Sachar are H. J. Bligh, publisher; Harold Stout, vice-president Central National Bank; L. S. Schwartz, president Van Patton Pharmaceutical Company; Hyman Natovich, president Spark & Natovich, office supplies.

### Standing of the Sterling

Sterling started business in June, 1929, Mr. Breskin being the organizer and the first secretary. For 14 years he has been president. Its assets are now \$3,300,000, capital \$1 million net surplus in excess of \$1 million. Its premium income this year will be about \$3 million. The company writes health, accident, hospitalization and life insurance. Its business has been worked up chiefly through radio advertising, direct mail, use of magazines, etc. It sends out on an average 125,000 pieces of direct mail every day. President Breskin has traveled over the country, selecting radio talent and arranging the program.

Sterling's new building is a six-story office structure and it occupies 34,000 square feet in the building. It has just established a lunch room and recreation center for employees in the building. The ground will be landscaped next spring.

Mr. Breskin, who has been the main factor and dynamo in the company since it started began his business career in 1912 as a clerk for Liberty Trust & Savings Bank, Chicago. He resigned in 1922, being first assistant cashier. He joined the L. H. Kellogg agency of Equitable Society in Chicago as an agent, carried a rate book and became assistant manager. He resigned in 1929 to organize Sterling. He thus got early training in insurance salesmanship which he has adapted to his own organization.

### Special Benefits for Professional Groups Held Discrimination in Cal.

SAN FRANCISCO—Special benefits to policyholders by accident and health companies, when based solely upon membership in designated professional societies, such as bar associations, constitute discrimination under the California law, in the opinion of the deputy attorney-general of California. Specifically answering an inquiry from Commissioner Garrison regarding the right of a company to issue certain riders on individual disability policies only to members of professional societies, the opinion holds the statutes of California make full provision for the issuance of group insurance whereby special benefits may be given to members of an association, which policies are not within the scope of the anti-discrimination provision. However, the proposed forms

### Hedges on Wagner-Murray Bill

Herbert A. Hedges, Equitable Life of Iowa, immediate past president National Association of Underwriters, will address the luncheon meeting of the Kansas City Association of A. & H. Underwriters Oct. 13 on "The Murray-Wagner-Dingell Bill and Its Effects on Our Business, If Passed."

### A. & H. Week in New York

NEW YORK—The week of Oct. 23 has been designated New York Accident

& Health week and a sales conference for all producers will be held Oct. 24. G. C. Hamlin, U. S. F. & G., second vice-president New York Accident & Health Club, is chairman of educational activities. The sales conference will begin at 9:45 a.m. in the New York State Chamber of Commerce auditorium.

### Extends A. & H. Cover for Service Men in U. S.

Travelers has again extended to Jan. 1, 1946, coverage under accident and health policies for policyholders in service while in the United States. A similar extension has been made for policyholders in Canada.

### Criticisms of Agent Given

MILWAUKEE—The Accident & Health Underwriters Association of Milwaukee, at the monthly luncheon meeting heard Claire Rognlien, sales manager of the Carrier Distributors Corporation, tell "What I Don't Like About Insurance Agents." He gave his impressions of how the salesman occasionally uses poor sales tactics without being aware of the effect on the prospect and frequently causing the loss of a sale.

Secretary Leo E. Packard, Loyal Protective, announced that plans are already under way for the annual Christmas party. The local association has been giving parties for several years

with indigent boys and girls as its guests, with a steady growth in this movement and greater participation by members and their co-workers.

### Hold Clam Bake in Cleveland

The Cleveland Association of Accident & Health Underwriters held a clam bake at the Dover-Bay Country Club, with more than 40 members attending. Clarence A. Sholl of Columbus, National association president, was a guest.

### McCarthy to Portland Agency

Ray J. McCarthy, who has been an agency secretary in the commercial accident and health and non-can accident divisions of Continental Casualty at the home office, has returned to Portland, Ore., with the Fred H. Schroeder agency, which represents Continental Casualty for all lines. Mr. McCarthy will act as supervisor, specializing in accident and health, but developing all casualty business.

### Slate Mueller in Chicago

E. H. (Count) Mueller of Milwaukee, chairman of the planning committee of the National Association of Accident & Health Underwriters, will address the Chicago Accident & Health Association Oct. 18 on the work his committee has done so far and the campaign it is now conducting to put the National association on a more stable financial basis through five year pledges from its members.

## CHANGES IN CASUALTY FIELD

### Hartford Boiler Makes Changes

Hartford Steam Boiler has granted the request of Manager A. S. Wickham of Philadelphia, for retirement after 45 years of active service. To fill that vacancy and one at St. Louis, created by the recent promotion of Manager Bromley DeMeritt to the post of superintendent of agencies, the company has appointed two new managers and advanced two others.

Fred S. Campbell, manager at Pittsburgh, succeeds Mr. Wickham in Philadelphia. Charles A. Henrich becomes manager at St. Louis, succeeding Mr. DeMeritt. He has been head of the company's Denver office.

Frank M. Kerrigan, special agent in Philadelphia, will succeed Mr. Campbell as manager at Pittsburgh, and O. E. Thurmond will fill the managerial vacancy created at Denver by the advancement of Mr. Henrich.

Mr. Wickham joined the company in 1899 in the New York department. From 1908 until 1910 he served as superintendent of agencies and then became associated with the management of the firm of Goodrich and Wickham, the company's general agency at Philadelphia. When a branch office was established in that city in 1915, Mr. Wickham was made manager and has filled that position until the present.

### Warren Surety Head of Commercial Standard

H. R. Warren, formerly assistant manager of U.S.F.&G. in Dallas, has joined Commercial Standard of Fort Worth as manager of its fidelity and surety department. He has had a wide experience in the casualty field and for the past 12 years has devoted much of his time to underwriting and development of surety business.

### Eureka Casualty Changes in Ohio and Pennsylvania

Eureka Casualty has appointed Bruce M. Smith as manager of the Ohio service office at Columbus. Mr. Smith has

for a number of years been associated with London Guarantee and Phoenix Indemnity Co., both in the home office and in the field.

Leonard B. Smith has been named field supervisor of the Pittsburgh and Johnstown branch offices. Mr. Smith was formerly associated with the Celina group. He will be located in the Pittsburgh branch of which W. G. Dick is manager.

### A. L. Lathrop Secretary of New Tulsa Company

A. L. Lathrop, secretary of Standard Insurance Company of Tulsa, the company recently organized by Ben Voith and his associates, will assume his duties with the company Nov. 1.

Mr. Lathrop goes to Tulsa from Dallas. He has been for some time in the underwriting department of the Travelers branch office there. Prior to that time he spent about six years at the home office of Travelers.

### Emmco Names Collie in Ohio, DeBaun in Indiana

Wayne C. Collie has been appointed special agent of Emmco companies for Ohio with headquarters at 902 East Broad building, Columbus. Mr. Collie has been in insurance since 1930. He was with Ohio Farmers as underwriter and examiner until 1936 and since then as a special agent in Indiana.

Hugh P. DeBaun, formerly an adjuster in Ohio for Emmco companies, has been appointed special agent for northern Indiana and southwestern Michigan with headquarters in the home office in South Bend. Mr. DeBaun has been with Emmco since 1940.

### Quigley to Wash. General Agency

J. Edmund Quigley, staff adjuster of Accident & Casualty in Seattle for two



A. L. Lathrop

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years, has resigned to go with the Washington General Agency as supervisor of claims for Ohio Casualty. A graduate of the University of Washington law school, he practiced law before entering insurance as a staff adjuster of Travelers and later went with Accident & Casualty.

#### Employers Casualty at St. Louis

Employers Casualty of Dallas has opened a branch office in St. Louis at 726 Pierce building to handle eastern Missouri, Illinois and Indiana. E. S. Willis, manager of the Kansas City office for seven years, will have charge

of the office. Ralph Metcalf, formerly special agent of Massachusetts Bonding at Kansas City, is now in charge of the Kansas City office, which handles western Missouri and Nebraska.

#### O'Boyle Goes with NLRB

NEW YORK—Thomas F. O'Boyle, head of the legal and claims department of Phoenix-London group since 1936, has resigned as of Oct. 15 to join the National Labor Relations Board as hearing examiner. He was in the investigating department of Indemnity of North America and was later employed by Travelers in the group, life, health

and accident department. He served as head of the court department of American Mutual and was later made assistant manager of Continental Casualty at Newark. In 1931 Mr. O'Boyle joined Ocean Accident as assistant to F. E. Spencer in the liability department at the home office. He became metropolitan manager of the claim department of Phoenix-London five years later.

#### McKee in Casualty End

WASHINGTON—In the RFC-DPC insurance division organization Harry McKee, formerly fire loss man, has been shifted to help Assistant Chief Bloomer on casualty matters.

#### Arneson to St. Louis

Patrick E. Arneson, assistant casualty manager of Travelers in Oklahoma City, has been transferred to St. Louis in the same capacity.

#### Ferguson to General of Tex.

Charles W. Ferguson has been named special agent of General of Fort Worth for north and east Texas, with headquarters in Dallas. He succeeds John J. Shields, now with Insurors Indemnity of Tulsa as Houston manager.

L. C. Arny, former Houston manager, has joined the Parkerson general agency, Lafayette, La.

#### Shift Stephens to Dallas

Jack A. Stephens, formerly in charge of the Houston claim office of Continental Casualty, has been transferred to Dallas, succeeding R. D. Hopson, who resigned to become an independent adjuster in Amarillo.

John Davis, formerly of Los Angeles, has opened an independent adjusting office in Seattle. He has been a flight instructor with the army air corps. He was a staff adjuster of the Employers group and United Pacific in Los Angeles and later operated his own office before entering service.

#### One SS Proposal Turned Down

WASHINGTON—Only U.S. Chamber of Commerce proposal rejected in its recent social security program referendum, was that to extend old-age and survivors insurance to domestic servants. The chamber announced that on this question the vote was 1511 for, to 781 against. Under the chamber's rule requiring a two-thirds majority to adopt a proposal by referendum, an affirmative vote of 1528 would have been required on that question.

## COMPENSATION

### Set Up Group in N. Y. to Police "Comp" Doctors

NEW YORK—Formation of a medical practice committee to take over and expand the supervision previously exercised voluntarily by the county medical societies over 23,000 physicians and surgeons licensed to treat workmen's compensation cases was announced by E. J. Corsi, state industrial commissioner. The committee, which will have jurisdiction in such cases in New York City outside of Richmond county, was authorized by the 1944 legislature under an act designed to correct abuses uncovered by the Moreland investigation which found more than 3,000 doctors involved in splitting and kicking back fees to patients' representatives, other doctors, and insurance company and state employees. Dr. F. M. Conway is chairman of the three man committee, whose members will receive \$7,500 a year salary.

The committee will license, regulate and discipline compensation practices of physicians and 250 medical bureaus; determine reasonable fees in disputes between doctors and insurance companies, and settle all complaints against doctors and medical bureaus in all counties of more than 1 million population. This excludes Richmond county, where supervision continues under the county medical society. It has a backlog of work which includes charges against almost 1,000 physicians brought by the Moreland commission and 100 cases of disputed fees.

### Insured Ask Removal of "Legally Employed" Clause

The Insurance Buyers Association of Minnesota in a bulletin recommends to members that they seek to have deleted from their compensation policies the provision that the employer is covered on account of injuries to employees that are "legally employed." During the present manpower shortage, the employer without his knowledge may be employing a person under 16 years of age in some hazardous occupation contrary to law. The policy amendment suggested, the association points out, does not mean that the employer is free from penalty for hiring any person contrary to law and neither is it intended that the employer should exploit child labor but merely to afford protection in case of illegal employment without the employer's knowledge.

### O. D. Cases Reported in Va.

RICHMOND—In the first three months of operation of Virginia's new occupational disease law, 135 cases covered by the act were reported, including 62 of dermatitis, 42 in manufacturing; 31 of infection or inflammation, 15 of conjunctivitis, seven of poisoning, three in manufacturing, three in construction and one in commercial work; one of radium disability and are silicosis case in the coal industry.

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## SURETY

Surety Forum  
Schedules Meets

NEW YORK—Plans were made at the first meeting of the Surety Company Claim Men's Forum for a series of 15 meetings on alternate Wednesdays beginning Oct. 18, with the following in charge: W. G. Bounds, Maryland Casualty, Oct. 18; A. F. Kaufman, Employers Liability, Nov. 1; Leon Kirschenbaum, New Amsterdam Casualty, Nov. 15; C. W. Kuhn, Standard Accident, Nov. 29; John Ansell, Home Indemnity, Dec. 13; Davis Quinn, Central Surety, Jan. 17; S. F. Maher, Glens Falls Indemnity, Jan. 31; O. R. Udel Giudice, Columbia Casualty, Feb. 14; T. H. Biviu, Great American Indemnity, Feb.

28; S. Willard Donovan, Indemnity of North America, March 14; Henry Reddy, Travelers Indemnity, March 28; F. J. Byrnes, American Surety, April 11; William Perry, Fidelity & Casualty, April 25; E. J. O'Donnell, Hartford Accident, May 9; J. J. Soley, National Surety, May 23.

The time at each meeting will be divided between the member who presents a selected subject and guest speakers, the addresses to be followed by open discussion.

Members congratulated F. J. Byrnes, American Surety, who has completed 30 years service in the claim field.

## Surety Managers of K. C. Elect

The Surety Managers Club of Kansas City has elected Robert Evans, American Surety, chairman; Ross Heck, Aetna Casualty, vice-chairman, and Miss Frances Kypke, U. S. F. & G., secretary. The club recently held a dinner.

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## DEATHS

Clement F. Demsey, supervising adjuster of Travelers at 55 John street, New York, office and former president of the Accident & Health Club of New York, died. He was a native of California and a graduate of the University of California at Berkeley. He spent several years in foreign service with the Dollar Steamship company and General Motors Export Corporation and in 1930 became an investigator in the claim division of Travelers in New York.

In 1935 he went to the home office as an examiner, was transferred back to the John street office as adjuster in 1937 and was promoted to supervising adjuster in 1942. His home was in Garden City, L. I.

Lt. Harry H. Cornelius, son of M. P. Cornelius, general counsel of Continental Casualty and Continental Assurance, died in France Sept. 11, following injuries sustained in battle Sept. 8.

The second of three Cornelius sons serving with the armed forces, Lt. Cornelius was wounded in action, presumably in the battle for Brest. He died three days later in an army hospital. At that time he had been in combat since early July. He left for overseas service in May, just shortly after the birth of his only child, Frances, on April 16, and landed in England in June.

Lt. Cornelius would have been 26 years old Oct. 12. A resident of Oak Park, he was educated at Northwestern Military Academy and the University of Chicago, from which he was graduated in 1940. He then entered Harvard school of business administration, but his studies were interrupted by his call to service in March, 1942. Commissioned a second lieutenant on entering service, he was married shortly before leaving for training at Fort Benning, Ga., to Ann Hartzler then a student at the University of Chicago.

Besides his wife and child, Lt. Cornelius is survived by his parents; a sister, Mrs. Elizabeth Vanderkloot, whose husband, Peter, is serving overseas; and two brothers, Captain Martin P., Jr., in combat in the South Pacific for the past three years, and Pvt. John, with the army engineers.

Hubert J. Murray, 61, one of the organizers of Limited Mutual Compensation, now California Compensation, and treasurer of the company for 10 years, died in San Francisco.

Accountants Hear  
Hess on Rating

(CONTINUED FROM PAGE 7)

arate statistics on buildings and contents of classes other than mercantile and warehouse properties might be considered desirable but he believed they are not necessary.

Pointing out that some regulatory authorities require classified statistics on different bases, he said it should be a comparatively simple job to co-relate such divergencies into a whole that would be of assistance to the schedule maker. There should be no hesitancy, he said, in the adoption of different levels of rates in different territories where the aggregate experience justifies such differences. In fact, such recognition should seem to be required from the standpoint of justice to the various territories.

"Classified statistics, however, in this rapidly changing country of ours have a tendency to lose their value rather quickly with the passage of time," said Mr. Hess. "I do not believe such statistics of results obtained some 15 or 20 years ago are of any particular value to the ratemaker at the present time. Five or 10 years should be the limit."

In theory at least a schedule is a standard of measurement of the fire hazard, said Mr. Hess, and since the hazard differs only in extent or degree, dependent on the various factors of construc-

tion, occupancy, protection and exposure, it would appear a logical conclusion that one schedule should be sufficient as a standard for all risks and all territories. He warned that this statement should not be taken as precluding different levels of rates for different classes of risks or for different territories, dependent on adequate statistical data. A vast improvement in this respect is possible and should be brought about at the earliest possible date, he declared.

## Excepts Special Schedules

Mr. Hess also said that the foregoing statement should not be construed to preclude special schedules to cover special classes involving types of hazard not at all common to the ordinary run of risks or where peculiar or extraordinary features of protection are required to minimize these hazards. He mentioned in this connection such classes as mining risks, grain elevators, lumber yards, and piers and wharves.

Mr. Hess said that rating of risks of sufficient value and divergence of hazard and protection should be accomplished by the use of a reasonably simple, flexible schedule, which should be constructed and used as a standard of measurement of hazard and protection and produce rates at desired and approved levels for various classes of risks and for various territories and also as general changes occur over reasonable periods of time.

There should be a defensible relation, he said, between the rates produced and the general results of the business in sufficiently large territory and over a sufficiently long period of time. Such general results of the business should be recorded in a classification of major groupings based primarily on similarity in fire hazard and protection.

Mr. Hess also described the procedure used in the rate making process and the general principles underlying it.

## LOSS PROCEDURES

Discussing loss department procedure, L. L. Hansell, Royal-Liverpool, said that under present conditions, particularly with the inevitable problem of untrained personnel, it has been found that

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certain bottlenecks have been created which have warranted an investigation of the entire loss routine with a view to minimizing clerical work and thereby reducing the volume of details to be performed by this untrained personnel.

After describing the steps in handling losses, Mr. Hansell said that in its study of the problem the Royal-Liverpool loss department made an analysis of reported losses for a single normal month and found that the number of losses of \$50 or less, without reinsurance, represented more than 63% of the total number of losses handled and those of \$100 or less without reinsurance more than 75%.

With the same mechanical procedure being followed throughout the office with respect to small losses as large ones, it is obvious he said that under the system outlined it costs virtually as much to handle a \$5 loss as to handle one of \$5,000. He said that in view of this there is unquestionably something to be gained by making a study of the problem and in addition it was found that there were two practical and specific objectives in view, one being to have the daily reports returned to file more promptly and the other to relieve a bottleneck which had arisen in the preparation of the loss pockets.

### DAILY REPORTS

The daily report problem should be an easy one to remedy, he said, for it is merely necessary to return them to file when they have served their purpose, which would seem to be as soon as the necessary details have been extracted and put on the reported loss sheets. There would not seem to be any logical reason for retaining the daily reports in the loss files except for preparing certain bureau reports which might call for information not available from other sources. Since it may be months in some cases before the loss suspense file is finally closed there is every advantage to be gained in returning the daily reports to file promptly. Incidentally, if this is done there would be no need for the filing department to insert cards in the files to indicate where the daily report might be.

### Some Loss Pockets Dropped

As to eliminating the delays occasioned in the process of typing loss pockets, it can probably best be gained by simply doing away with certain pockets. In view of the experience showing that 63% of losses are for \$50 or less, without reinsurance, this would seem to be the best place to do away with pockets. The only real value in preparing pockets for small losses without reinsurance appears to be as a convenience for filing papers but since there are normally few papers involved in small losses there is no reason why they could not be fastened securely together and filed with no more danger of becoming lost than in the case of daily reports.

If it is felt that a pocket is essential a blank pocket bearing only the claim number should be sufficient. Should it be decided to dispense with such pockets some slight modifications would naturally have to be made in the routine. Before sending the loss notices with daily reports to the mechanical division the proof checker might first segregate those with estimates of \$50 or less, without reinsurance, and place on them a fairly legible identifying stamp. At the same time he might fill out by hand forms similar to those which under the established routine would have been manifolded with the loss pockets, that is the agency loss register copy, which is used for contingent commission purposes, and the advice to the field man, where necessary.

The loss notices for which no pockets are to be made should be given directly to the bordereau writers, who will enter them on separate reported loss bordereaux, at the same time assigning a separate series of numbers. The established routine following the receipt of the final proofs should be continued except that

a similar segregation of the small losses should be made before they are sent to the mechanical division for the issuance of the draft.

Discussing further possibilities of economies in operation, Mr. Hansell recalled that it has been stated that a large percentage of all claims are adjusted and settled in the field either by field men, agents or branch offices and when this is so, the proof of loss or even the draft itself is quite frequently the first advice the home office receives. It is logical to assume that this being the over-all experience, a correspondingly large proportion of so called small losses without reinsurance are likewise settled

in the field. This leads to the question, Why go through all the work of establishing estimates and writing them on the reported loss bordereaux only to have them marked off on the paid bordereaux either the same month or a short time later?

There would seem to be a good argument, said Mr. Hansell, for dispensing entirely with establishing estimates on all losses of \$50 or less without reinsurance and assigning them directly to separate paid loss bordereaux in separate numerical sequence. If this were done a blanket reserve could easily be established to cover such losses without the necessity of assigning it to any particu-

lar state.

There is a certain aversion in some quarters to the use of paid and reported bordereaux, in which the statistical card punching is probably done from the individual loss pockets, or, in the case of paid losses, perhaps from a copy of the individual draft on which sufficient information must appear. The merits of either practice are debatable but where bordereaux are used it is doubtless on the premise that less handling is required, and certainly less danger involved of mislaying loss pockets, on which the experience with daily reports should serve as a warning.

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said that whatever ideas accounting executives may have entertained about changing systems the manpower shortage has made any radical changes impractical. Nevertheless it is possible and in fact advisable for executives to devote a little time to a check-up of present systems to correct minor faults here and there. These faults, while individually of no major importance are collectively retarding the progress of work throughout the accounting department in many cases.

Those who have been hopeful that an early termination of the war would automatically solve the employment problem seem due for a disappointment and those who do not take some definite step to correct the present conditions will very soon find that they have become considerably worse, Mr. Angus warned. He pointed out the distorting effects of personnel turnover on accounting operations. In the last few years it has been necessary to dispense with certain operations in order to make the best use of the manpower available. However, it frequently happens that in some section of the office a certain operation connected with the discontinued operation is overlooked and a clerk goes on performing.

#### Legitimate Tax Savings

In his talk on tax savings through the proper utilization of available deductions, Valdo Volta of Globe & Rutgers suggested that companies look over their lists of preferred stockholders, for section 121 of the internal revenue law provides that any incorporated domestic insurance company, among others listed, shall be allowed a deduction from gross income for any dividend paid within the taxable year to the United States or to any instrumentality thereof which is exempt from federal income taxes on the preferred stock owned by the United States or such instrumentality. He pointed out that there are many federal agencies enjoying a tax-

exempt status which in the course of their financial operations may have acquired shares in insurance companies' preferred stocks. He mentioned the Reconstruction Finance Corporation as the largest non-taxpaying instrumentality.

Transfer stamps for state and federal taxes are affixed to stocks for sales purposes and Mr. Volta pointed out that the cost per share is expressed in pennies and may be easily overlooked on a stock ticket showing a net consideration of \$10,000 or \$15,000. Yet when the tax is paid on all such sales in a moderately active year the sum may well run into several hundred dollars. Using a 40% federal income tax rate their utilization as an expense deduction might result in a tax saving of \$50 or more for the expenditure of a few hours of a clerk's time. While there is a question as to the deductibility of federal tax stamps in the case of the individual taxpayer, both state and federal taxes may be deducted by an insurance company under section 23(c) as an expense "ordinary and necessary, paid or incurred in carrying on a trade or business."

#### TAX SAVINGS

Mr. Volta discussed a number of other ways in which insurance companies may be able to take legitimate tax savings. He expressed the belief that a close study of the law and regulations would reveal opportunities for tax savings which are well worth the effort involved to uncover them. However, he pointed out that it must be borne in mind that the tax saving on a newly discovered deduction is not always 40% of the item. Under certain conditions the operation of the dividends-received credit may reduce the apparent savings to about 6%. The reason for this is that the dividend credit is computed on the basis of 85% of the lesser of dividends received or normal tax net income mi-

nus excess profits tax and income. That is, if dividends exceed the adjusted normal tax net income, any reduction in net income will be cancelled by the dividend credit to the extent of 85%. The surtax portion operates under similar limitations. The greatest benefits are derived from tax savings by those companies whose net income tends to exceed dividends received.

#### Simplification of Forms

Discussing the post-war simplification of printed forms, John Mitchell of Uniform Printing & Supply Co. described a new cancellation notice which was worked out after conference with several companies and which has been accepted in all states where it has been used. He pointed out that much time is saved for the agents if a single type of cancellation notice and instructions suffice for the various companies in the office.

Mr. Mitchell also displayed a proposed uniform monthly agent's account form. He emphasized the importance of having forms that will be easy to fill in, saying that in the post-war world utility will come first and consideration such as balance and typography will be secondary. He suggested working jointly with the National Association of Insurance Agents and the Insurance Accountants Association to get the best possible combination of features for forms that are used in agencies.

#### Checking Agents' Accounts

J. F. Hickey of International Business Machines described two mechanical methods of checking agents' accounts against daily reports. An important saving in time is possible, as about 85% of the items are identical in the two records. One method, said Mr. Hickey, would be to use a collator which would separate the matching items from those that did not tally with each other. Another method, already used by some companies, calls for the punching of cards for each agent's account. These cards are then thrown in with the register cards containing the information from the daily reports. The cards are then sorted by the tabulating machine until the matching cards come together. By punching the daily cards "add" and the accounts cards "subtract" these cards will cancel out and the rest, that is the non-matching 15% or so, can be picked out and tabulated in any way that is desired.

#### USE OF STATISTICS

Joseph Raywid, who heads his own accounting firm, said that the companies talk much but do little about statistics. He suggested the appointment of a committee to study the further use of statistics and it was voted to do this. Mr. Raywid cited as an example of the need of use of more adequate statistics the recent action of the National Board in refusing to recommend the waiving of additional premiums and return premiums of \$1 and less because 29 companies did not favor the practice. He said that statistics would have quickly shown the 29 companies that the cost of handling additional premiums and return premiums on facultative reinsurance is considerably greater than the amount of premiums involved and would have persuaded the National Board to recommend waiving them. He estimated the cost of each such entry at from \$2 to \$3 and said some accountants say it is as much as \$5.

#### Marine Inspections

C. A. Vlachos, who heads his own inspection firm, gave an interesting talk on marine inspections, in which he pointed out that the amount at risk in insuring shipyards is considerably less extensive than might be thought from the amount of orders that a shipyard has. The distances between ways and between warehouses and the fact that materials are delivered by subcontractors at approximately the time when they are to be used all help to reduce

the amount subject to loss, as does the fact that a considerable part of a ship's value is added after it is put in the water for fitting out.

F. W. Ruckdeschel of Atlas gave a paper on new applications and the leveling of peak loads in the use of tabulating systems. Other papers included "pooling operations" by D. B. Cromie, Royal-Liverpool and W. N. Titcomb, Springfield F. & M.; "Reinsurance" by S. H. Carpen, Metropolitan Fire Reinsurance; "Underwriting of Daily Reports Before or After Entry" by R. E. Weiss and "Syndicate Accounting" by J. M. Donovan of Travelers.

In his presidential address, A. A. Dahlberg of the Sun mentioned the association's cooperation with the National Board and the Insurance Executives Association and said it had been of service in solving some of their problems affecting the accounting side of the insurance business.

#### Open Forum

In the open forum it was brought out in the discussion of payroll reports led by C. R. Ratcliffe of Royal-Liverpool that the federal government has decided to require overtime and bonus pay to be figured in with regular pay in computing withholding taxes, disallowing the present method of permitting a straight 20% deduction on these extra items. Mr. Ratcliffe said that this change would seriously complicate some mechanical payroll methods currently in use. There was considerable interest in the systems of handwritten records for use in companies of 300 or so employees or less. Several office equipment companies have developed ingenious arrangements of a board on the peg-board style so that entries may be correctly lined up and spaced even though the record is kept by hand. Among these are Shaw-Walker, McBee and Todd Protocographs.

The discussion of unearned estimates brought out that many companies are estimating these figures monthly and

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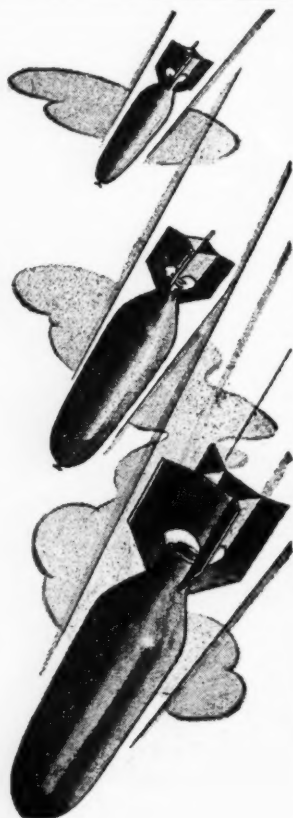
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quarterly and doing the actual figuring only at the year-end.

At the dinner gold watch key chains were presented to all past presidents, who were guests of honor, they being D. R. Ackerman, Great American; Myles Walsh, Niagara (retired); E. P. Smith, Norwich Union; A. V. Linde, Automobile; R. C. Angus, Northern Assurance; A. R. Matthews, Pacific; F. C. Scott, New York Underwriters; E. G. Crapser, Pacific; E. S. Stryker, Polygraphic Corporation.

#### New High in Membership

The association's membership has reached a new high record of 390. The program was of general as well as technical interest. As in the past, the meeting served to bring out into the open many questions that are on the minds of accounting executives. The question and answer sessions were especially valuable. The proceedings will be published and will serve to bring the discussion to an even wider audience.

## Touches Insurance Topics at Hearing

(CONTINUED FROM PAGE 49)

National Service Life claims allowed May 31, 56,957, amount \$451,526,000.

NS policies in force April 30, 1944, 14,224,000, amount \$105,660,389,000.

Active pension and compensation cases, May 31, 1944, all wars and regular army; living veterans, 789,106; deceased veterans, 250,925.

Millard W. Rice, Disabled American Veterans, urged elimination of inequities in compensation to veterans and their families; also passage of a law, said to be similar to a Canadian measure, to provide for veterans administration reimbursement to private employers who are self-insurers, or to insurance companies, or state workmen's compensation funds, for all payments made to service-disabled veterans employed, in accordance with any state workmen's compensation act.

Pepper brought out that these suggestions were submitted to Veterans Administration, but that most proposals of Rice's organization have been adversely reported on by that agency.

#### Pensions for Disabled Veterans

Rice also recommended increased pensions for disabled veterans. He said there is no protection under NS against total disability, except the provision for waiver of premiums during total disability covering six months or more. He insisted there is a direct relationship between pensions and national health, and urged that disabled veterans be not hastily discharged from the army.

Surgeon General Thomas Parran, Public Health Service, asked about "co-operative hospital groups," said the Blue Cross plan and other groups have rendered "distinct service in pooling costs of hospital care," but added that the extent to which "that voluntary insurance scheme can cover all the needs is open to a great deal of question, even on the part of the most ardent advocates of the group hospitalization insurance plans."

Patients who have hospitalization insurance, he added, "raise the question of why they shouldn't also be enabled to insure against the surgeon's fee and the laboratory and other costs." Generally speaking, he said, Blue Cross does not cover them, but some medical societies are making experiments with these added features.

#### Regular Scale of Fees

Dr. Parran said there would be nothing unethical for surgeons to charge a regular scale of fees for certain types of services, such standards having been worked out under workmen's compensation, and in obstetrical care of servicemen's wives.

Pepper suggested that the surgeons' practice of charging the wealthy larger

fees than the poor "is a kind of public insurance plan"; that the doctor had to take responsibility of medical care and "work out his own insurance system."

Parran indicated lack of agreement with the medical prepayment plan, but said it is difficult to determine who is an indigent patient. He expressed the opinion that there has been "perhaps too much heat and too little light on the question of the socialization or the nonsocialization of medicine" and that some parts of medicine have been "socialized completely," citing workmen's compensation, public care of the insane and tuberculosis patients.

Case of indigent sick has been theoretically since Elizabethan times a public responsibility, Parran said, though not fully realized in practice.

#### Favors Compromise Program

Summarizing, Dr. Parran said a national health program can be evolved in this country, neither "entirely socialized, nor—entirely private."

Dr. Claude W. Munger, American Hospital Association, said it supports a program of grants in aid by the federal government for health purposes and hospital construction; also expansion of social insurance benefits to employees of non-profit groups and others "desiring these benefits and coverage," and per-

mission for pay-roll deductions for federal employees participating in voluntary service plans.

"We believe very strongly in the Blue Cross plans," said Dr. Munger, and added that generally they do not cover surgeon's fees but that in Michigan the Blue Cross plan has about 1,000,000 subscribers for hospital care, of whom 600,000 also have medical insurance. Grants in aid, he said, would encourage voluntary hospital plans.

## Buyer Makes Plea for Broader Surety Cover

(CONTINUED FROM PAGE 49)

cations is bad, not only from a loss standpoint but also because of the effect on morale. Making of a bond application should be presented as a privilege to the employee. The fact that a large financial corporation is willing to back the individual's integrity is a great compliment, he said. Men often brag about the credit line a bank will extend to them even though they never use it, so a sense of pride should be engendered in an employee if his honesty is worthy of bonding. Such an appeal would also add to the loss resistance of the bonded

employee. Loss prevention has as much appeal as loss indemnity.

A survey of a group of losses resulting from the extraordinary expense which the insured is often put to in determining the amount of a fidelity or forgery loss indicates this usually runs to about 10% of the amount of loss, he said. Coverage of this feature in addition to those generally offered would improve the protection.

The underwriting of dishonesty insurance is divided into two departments, and two rating bureaus must be consulted for rates. All dishonesty risks in connection with banks are, in contrast, by force of competition, economically handled by one underwriting and one rating bureau. Large risks should be experience rated on the total experience of all their dishonesty insurance, he suggested.

Buyers are interested in facts. Files and daily newspapers contain case histories describing dishonesty losses for almost any type of business, and this information should be made available to producers to present to buyers, he said.

In reviewing the types of insurance carried by any large number of corporations, it is seldom found that any two organizations carry insurance against all the same risks, he said. The difference

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is due to the familiarity of their officials responsible for insurance with a certain type of loss, which they are very likely to insure against. They also may not have had many types forcibly presented for their consideration, may prefer to take some risks themselves feeling they are overinsured, may take a negative attitude because the policy is complicated and difficult to understand, or may not realize some coverages are obtainable and necessary. Securities forgery coverage is an example. Almost any or every corporation whose shares are widely distributed among the public should carry this protection. Such losses generally are regarded as not insurable because the major loss can often be in legal fees rather than actual indemnity paid for the value of the forged securities. Relatively few corporations have this protection and a check with buyers shows either the coverage has never been suggested to them or they rely on the remote protection of their transfer agent or bank, he said. Similar comments could be applied to the very important check forgery bond and to a lesser degree to fidelity coverage, safe burglary, and hold-up, all of which come within the category of the basic cause of loss, dishonesty. These types of coverage must be made more attractive to the producer and to the buyer, reducing sales resistance. Evolution of insurance indicates a trend from many forms of coverage written under a complicated and expensive rate structure to a comprehensive, economical, more simple cover, Mr. Clark stated.

A nominating committee slate recommending the reelection of present officers and executive committee members headed by J. R. Wells, Employers Liability, president, was submitted by J. B. Duke, New Amsterdam Casualty. An election will be held Nov. 2.

## New Mexico Agents Hold Meeting in Albuquerque

(CONTINUED FROM PAGE 5)

the immense amount of work he has done for the association, particularly in editing its magazine, "El Asegurador." The new editors of the magazine are W. J. Sganzi, George Anderman, Ray Kirk and O. M. Horton.

### Braerton Discusses New Forms

The new New York fire policy, the new dwelling and household furniture form and the broadened extended coverage endorsement, which are now in effect in New Mexico, were described in detail by W. L. Braerton, president of the general agency of Braerton, Simonson, Brown, Inc., Denver. His talk was a highlight of the convention.

Mr. Braerton said he considers the elimination of the hail clause in the fire form as a forward step because there have been so many cases where assured have undertaken to collect hail damage under a fire policy because there was a hail clause in the form, even though clause stated, "void as to fire insurance." It is necessary, he said, for the agent to check carefully to see whether the windstorm or combined policy he is now using covers hail as well as windstorm. If not, then the hail clause must be attached.

In the opinion of loss men with whom Mr. Braerton has discussed the matter, cloth awnings are covered under the new dwelling house policy if the extended coverage endorsement is attached, but are not covered under a windstorm or combined fire and windstorm policy unless they are specifically mentioned and the proper rate charged therefor.

An analysis of form 18 on mercantile buildings, he said, indicates that if signs are owned by the building owner his policy does not have to carry the 80% or higher coinsurance for him to collect for them, but for the tenant to collect for signs and awnings, the policy must contain an 80% or higher coinsurance clause.

In connection with the new farm form,



IT'S A SPECIAL JOB FOR THE BOSS. HE'S GOING TO PICK HIS TEAMS SCIENTIFICALLY IN THE FOOTBALL POOL THIS YEAR.

Mr. Braerton said that if rolled roofing is to be covered for windstorm and hail under a farm policy, the form attached must say so and an additional rate of 44 cents annual or the regular term multiple for longer term must be charged on either a windstorm or combined policy, or there is no coverage for the damage to such roofs.

There is no other business, he said, that is more definitely built on good faith and good intentions than that of fire insurance. The new policy and forms are a great step forward, he added, but other improvements will be made as time goes on.

## Lively Session Held by Ontario Agents

(CONTINUED FROM PAGE 5)

own hook. President Bliss said he did not see any chance of incorporating the Canadian Federation of Insurance Agents either this year or next, which would be necessary for a dominion-wide plan, and he predicted that unless qualification was introduced immediately there would be an influx of undesirables into the business in the immediate post-war period. He suggested that the Ontario association endeavor to arrange to utilize the facilities now available to Quebec agents under the qualification plan in that province.

Roy B. Whitehead, Ontario's new superintendent of insurance, made his maiden address at the convention. He said that he saw a definite need to elevate the standard of new licensees in the fire and casualty field. The companies recommend persons desiring licenses as "competent and of sufficient insurance experience," Mr. Whitehead said, but this is the expression of hope rather than an existing fact.

Those who will return after the war and desire to enter the insurance business as agents, he said, should have from the companies all the assistance, direction and help possible. Some scheme could be worked out between the insurance organizations and the dominion department of pensions whereby the vocational training to be made available to returned men would include educational courses on insurance, both from

the company and agency point of view, he suggested.

Admitting the necessity for elevating the standard of agents, Mr. Whitehead asked how it is to be done. It would be desirable to have the different organizations representing companies and agents unite for this purpose in creating a bureau, the functions of which would be to give every applicant for an other than life license a short condensed course of instruction on the fundamentals of the different classes of insurance, he said, subject the applicant to an examination and then certify to the insurance department that the applicant had passed the necessary examination. If such a bureau is not practicable, then he thinks the insurance department should assume the responsibility. He said he plans to confer with some of the commissioners in the U. S., then institute a system of examination with as little delay as possible.

Agents discussed whether the association would endeavor to seek a reciprocal agreement with Quebec whereby border agents in both provinces could work back and forth without having to obtain an agent's license in each province. The idea was defeated on vote because it was felt it would encourage Manitoba agents to work into Ontario from the west and obtain grain business at the head of the Great Lakes.

The banquet speaker was W. J. McCulloch, managing secretary of the Hamilton Chamber of Commerce.

H. L. Kearns, manager of the automobile department of Shaw & Begg, Ltd., urged agents to support the current drive of the Ontario Safety League to cut down needless accidents.

Ontario Fire Marshal W. J. Scott said that in the last 12 months fire losses in the province had reached a level of 40% higher than the first year of the war, and this increase did not take into consideration the fires in military establishments. In the year ended Sept. 30, 1944, fire losses were \$11,273,996 and insurance paid \$9,470,568. Reasons for the increase were higher values, poorer construction and poorer fire protection, Mr. Scott said. There has been an increase in fires caused by pyromaniacs and also in fires designed to obtain insurance, he said.

## Treasury Issues Semi-Annual Surety List

Five new companies are included in the Treasury Department's semi-annual list of qualifying powers of surety companies for writing bonds running to the federal government. They are American States, Anchor Casualty, Hawkeye Casualty, Ohio Farmers Indemnity and Summit Fidelity & Surety of Akron.

The net underwriting limit permitted by the Treasury on any one risk is equivalent to 10% of surplus to policyholders, and is based on June 30, 1944, statements. Below are given October, 1943, April, 1944, and October, 1944, powers.

|                        | Oct., 1943 | Apr., 1944 | Oct., 1944 |
|------------------------|------------|------------|------------|
| *Acci. & Cas. ....     | \$ 250,000 | \$ 250,000 | \$ 240,000 |
| Aetna Cas. ....        | 2,942,000  | 2,998,000  | 3,298,000  |
| Amer. Bond ....        | 196,000    | 203,000    | 207,000    |
| Amer. Cas. ....        | 180,000    | 200,000    | 300,000    |
| Amer. Empl. ....       | 635,000    | 607,000    | 708,000    |
| Amer. General ...      | 206,000    | 184,000    | 199,000    |
| Amer. G. & L. ....     | 270,000    | 272,000    | 292,000    |
| Amer. Indem. ....      | 269,000    | 245,000    | 243,000    |
| Amer. Motor ....       | 200,000    | 225,000    | 225,000    |
| Am. Mut. Liab. ....    | 1,115,000  | 1,162,000  | 1,294,000  |
| Amer. Reins. ....      | 997,000    | 995,000    | 1,079,000  |
| Amer. States ....      | .....      | .....      | 139,000    |
| Amer. Surety ....      | 1,900,000  | 1,778,000  | 1,990,000  |
| Anchor Cas. ....       | .....      | .....      | 120,000    |
| Assoc. Ind. ....       | 264,000    | 356,000    | 442,000    |
| *Car & Gen. ....       | 158,000    | 154,000    | 155,000    |
| Cent. Surety ....      | 451,000    | 413,000    | 422,000    |
| Century Indem. ....    | 520,000    | 491,000    | 519,000    |
| Columbia Cas. ....     | 448,000    | 430,000    | 487,000    |
| Comm. Cas. ....        | 405,000    | 343,000    | 369,000    |
| Comm. Stand. ....      | 94,000     | 92,000     | 100,000    |
| Cont. Cas. ....        | 1,388,000  | 1,438,000  | 1,555,000  |
| Eagle Ind. ....        | 413,000    | 447,000    | 450,000    |
| *Emp. Cas. Tex. ....   | 154,000    | 160,000    | 158,000    |
| *Emp. Liab. ....       | 1,771,000  | 1,661,000  | 1,843,000  |
| *Emp. Mut. Ind. ....   | 170,000    | 170,000    | 190,000    |
| Empl. Mut. Wisc. ....  | 800,000    | 850,000    | 928,000    |
| Empl. Reins. ....      | 367,000    | 1,041,000  | 1,082,000  |
| Eureka Cas. ....       | 80,000     | 84,000     | 88,000     |
| *Europ. Gen. ....      | 979,000    | 1,001,000  | 1,096,000  |
| Excess ....            | 184,000    | 176,000    | 176,000    |
| Fid. & Cas. ....       | 2,411,000  | 2,324,000  | 2,727,000  |
| Fid. & Dep. ....       | 1,627,000  | 1,674,000  | 1,764,000  |
| Fireman's Fund ....    | 539,000    | 526,000    | 614,000    |
| Gen. Cas. Wash. ....   | 276,000    | 257,000    | 306,000    |
| Gen. Reins. ....       | 955,000    | 990,000    | 1,118,000  |
| Glens Falls ....       | 547,000    | 474,000    | 465,000    |
| Globe Indem. ....      | 1,250,000  | 1,250,000  | 1,250,000  |
| Gr. Amer. ....         | 973,000    | 972,000    | 1,091,000  |
| *Guar. N. A. ....      | 166,000    | 165,000    | 163,000    |
| Hartford Acci. ....    | 3,481,000  | 3,520,000  | 3,881,000  |
| Hawkeye Cas. ....      | .....      | .....      | 57,000     |
| Home Indem. ....       | 437,000    | 405,000    | 467,000    |
| Indem. N. A. ....      | 1,698,000  | 1,484,000  | 1,789,000  |
| Internat. Fid. ....    | 183,000    | 184,000    | 186,000    |
| Kan. Bk. Sur. ....     | 58,000     | 56,000     | 58,000     |
| Liberty Mut. ....      | 2,547,000  | 2,372,000  | 2,611,000  |
| *London Guar. ....     | 680,000    | 657,000    | 711,000    |
| Lond. & Lanc. ....     | 250,000    | 246,000    | 266,000    |
| Lumb. Mut. Cas. ....   | 700,000    | 806,000    | 900,000    |
| Maine Bond ....        | 64,000     | 64,000     | 65,000     |
| Mifflin Cas. ....      | 450,000    | 481,000    | 457,000    |
| Md. Cas. ....          | 2,263,000  | 2,188,000  | 2,251,000  |
| Mass. Bond ....        | 1,041,000  | 1,005,000  | 1,092,000  |
| Merch. Indem. ....     | 337,000    | 333,000    | 370,000    |
| Mellon Ind. ....       | 562,000    | 539,000    | 572,000    |
| Metro. Cas. ....       | 339,000    | 310,000    | 332,000    |
| Natl. Auto ....        | 182,000    | 209,000    | 210,000    |
| Natl. Cas. ....        | 225,000    | 250,000    | 250,000    |
| Natl. Surety ....      | 1,907,000  | 1,864,000  | 2,094,000  |
| New Am. Cas. ....      | 1,184,000  | 1,502,000  | 1,543,000  |
| New Eng. Cas. ....     | 138,000    | 138,000    | 136,000    |
| N. Y. Cas. ....        | 358,000    | 327,000    | 379,000    |
| N. A. C. & S. Re. .... | 257,000    | 258,000    | 256,000    |
| Northw. Cas. ....      | 88,000     | 96,000     | 106,000    |
| *Ocean Aceh. ....      | 738,000    | 638,000    | 740,000    |
| Ohio Cas. ....         | 399,000    | 420,000    | 420,000    |
| O. Farmers Ind. ....   | .....      | .....      | 121,000    |
| Pac. Empl. ....        | 154,000    | 201,000    | 201,000    |
| Pac. Ind. ....         | 653,000    | 679,000    | 818,000    |
| Peerless ....          | 148,000    | 149,000    | 152,000    |
| Phoenix Ind. ....      | 402,000    | 402,000    | 477,000    |
| Preferred Acc. ....    | 300,000    | 338,000    | 230,000    |
| Royal Ind. ....        | 1,702,000  | 1,783,000  | 1,894,000  |
| St. Paul Mer. ....     | 655,000    | 692,000    | 728,000    |
| Seaboard Sur. ....     | 526,000    | 495,000    | 527,000    |
| Stand. Acc. ....       | 1,088,000  | 1,118,000  | 1,181,000  |
| Stand. Sur. ....       | 253,000    | 257,000    | 262,000    |
| Summit F. & S. ....    | .....      | .....      | 25,000     |
| Sun Ind. ....          | 306,000    | 333,000    | 333,000    |
| Texas Ind. ....        | 52,000     | 42,000     | 45,000     |
| Travelers Ind. ....    | 1,500,000  | 1,500,000  | 1,500,000  |
| Trinity Ind. ....      | 301,000    | 256,000    | 238,000    |
| United Pac. ....       | 207,000    | 190,000    | 200,000    |
| U. S. Cas. ....        | 510,000    | 499,000    | 549,000    |
| U. S. Guar. ....       | 1,244,000  | 1,220,000  | 1,312,000  |
| U. S. F. & G. ....     | 2,373,000  | 2,626,000  | 2,938,000  |
| Val. Sur. ....         | 38,000     | 45,000     | 45,000     |
| West American. ....    | 96,000     | 89,000     | 85,000     |
| West. Cas. & S. ....   | 164,000    | 162,000    | 173,000    |
| West Natl. Ind. ....   | 233,000    | 314,000    | 351,000    |
| Western Sur. ....      | 89,000     | 90,000     | 100,000    |
| Yorkshire ....         | 258,000    | 214,000    | 219,000    |

\*Foreign companies authorized to do reinsurance business only.

John H. Meyborg, assistant Newark manager of National Surety and a veteran of 32 years with that company, died.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Mutual Regionals Are Scheduled in Wisconsin

MILWAUKEE—Under the joint sponsorship of the Wisconsin Association of Mutual Insurance Companies and the 1752 Club of Wisconsin, a series of regional conferences has been scheduled for mutual agents, field men and company officials to take the place of the annual agents' convention formerly held in Milwaukee every fall, but replaced by regional meetings the last two years because of transportation restrictions.

The gatherings started at Portage, Oct. 10, and Wausau, Oct. 11; Oshkosh, Oct. 12, and Milwaukee, Oct. 17. Similar programs are being given at each meeting which opens with a luncheon. John Lau, Milwaukee, state agent Union Mutual Fire and 1752 Club president, is extending greetings. "Extra Income from Extra Coverage" is being discussed by Alvin Klug, Milwaukee, special agent Badger Mutual Fire; "Planned Selling," Robert Barber, special agent West Bend Mutual; "Personal Property Floater Insurance," N. J. Orn, Madison, special agent Reitan-Lerdahl & Co., Madison; "Moral and Physical Hazards," J. Leonard Henderson, assistant secretary American Mutual Fire, Milwaukee; and "What About Tomorrow?" T. R. Schmidt, Kewaskum Mutual, secretary of the mutual company association.

George Faulds, Chicago, state agent National Retailers, is leader of a forum entitled, "College of Insurance Knowledge," which concludes the program.

The annual meeting of the companies' association, comprising city and village mutual, will probably be held in Milwaukee early in December.

On Oct. 16, the evening before the Milwaukee regional, the Wisconsin Federation of Insurance Agents, the mutual group, will hold its annual meeting at the Hotel Schroeder. Joel Sonderquist, Beloit, is president. Harold Shier, Reitan-Lerdahl & Co., Madison, will discuss "The Post War Problem of the Agent."

### Ryan to Present Lectures

CINCINNATI—R. A. Ryan, Perkins & Geoghegan agency, will give a series of lectures on workmen's compensation, social security, unemployment compensation, group and employee insurance, such as pension trusts, at Xavier University's newly established Institute of Social Order, designed to reconcile the thinking of capital, management and labor so the three will work in utmost harmony. Mr. Ryan's lectures are included in a course treating labor legislation and social insurance.

### Cincinnati May Get Mid-Year

MILWAUKEE—There is talk of Cincinnati getting the midyear meeting of N.A.I.A. national board of state directors.

### "Open House" at Owatonna

The annual "open house" meeting of the Southern and Southeastern Minnesota Agents Regional Associations will be held at Owatonna Oct. 19. It will be a dinner meeting, with a large number of field men expected to attend.

The Southeastern association has elected George Eckles, St. Charles, president; George Reppe, Grand Meadow, vice-president, Donald Clark, Winona, secretary-treasurer.

Write more A. & H. premiums with the "Pictograph," only \$3.00. The A. & H. Bulletin, 420 E. 4th St., Cincinnati 2, Ohio.

### Des Moines School Board Insurance Allocation

Members of the general insurance committee selected by the Des Moines school board will receive 52% of the insurance on school buildings, the school board has decided. The members of that committee are R. M. Evans, B. C. Hopkins and N. C. Hansen. They are responsible for appraising the school properties, making adjustments in values and giving inspection, survey and clerical services.

That committee will determine the distribution of the remainder of the insurance. Last year the insurance distribution committee itself split the insurance among the various agencies, giving 35.7% to members of the committee and the remainder to 49 agencies.

The insurance distribution committee named by the board includes Evans, Hopkins and Hansen along with Phil Jester, Tom Moore and Kenneth May.

About one-third of the \$5 million school insurance expires each Nov. 1.

### Hanna Joins Detroit Agency

William A. Hanna, after 10 years in the bonding department of the Detroit branch of Standard Accident, has become associated with Charles N. McNaughton of the McNaughton & Anderson agency there. The firm now becomes McNaughton & Hanna, handling all types of general insurance and fidelity and surety bonds.

Mr. Hanna went to Standard Accident from the University of Michigan in 1934. He served as secretary-treasurer of the Surety Association of Michigan in 1940. Mr. McNaughton has represented Standard Accident for 22 years as general agent in Detroit for casualty and surety.

### Rowland Kenosha Speaker

KENOSHA, WIS.—John S. Rowland, Racine, president of the Wisconsin Association of Insurance Agents, spoke at the monthly dinner meeting of the Kenosha Association of Insurance Agents, outlining the program of the state and National associations, and the benefits to agents as a result of their activity.

### Coordinators Hear Insurance Men

At the recent annual high school coordinators' institute at the University of Minnesota, Howard Williams, representing fire and casualty agents, and Orris Johnson the life business, both from Mankato, explained their respective lines to the coordinators, who direct part-time employment of high school students as part of their school work and act as liaison officers between the students and their employers.

### Kan. Adopts New Dwelling Form

Effective Oct. 9 Kansas adopted the new broad dwelling and contents form recommended for countrywide use by the Insurance Executives Association. It will be discussed at the convention of the Kansas Association of Insurance Agents in Wichita, Oct. 19 in a panel led by J. C. O'Connor, editor of the F. C. & S. Bulletins of THE NATIONAL UNDERWRITER. The form is substantially that now in effect in some other mid-west states.

### Hail Profit in Minn. and S. D.

MINNEAPOLIS—Hail claims have been pretty well cleared up in this territory and companies are closing their books on a profitable year. Premium

volume of stock companies writing in Minnesota and the two Dakotas is estimated at close to \$10 million, one of the biggest years on record. The experience was good in Minnesota and favorable in South Dakota but no better than an even break for the companies in North Dakota.

### Feted on 10th Anniversary

CLEVELAND—The Hale & Hale Co. agency celebrated the 10th anniversary of Lorna B. Griffith, treasurer. Her fellow officers and associates presented her a five-piece tea set suitably engraved. Before joining Hale & Hale she had had many years experience in underwriting and insurance accounting.

### Heater Goes with Garrett

Garrett, Inc., Kansas City general agency, has appointed John Heater as special agent. Mr. Heater, formerly associated with Bruce Dodson, has traveled extensively in the south and west coast areas.

### Columbus Agents, Bankers Confer

COLUMBUS, O.—Insuring of property, including chattels, on which post-war loans are made, was the subject of discussion at a meeting Tuesday evening of the Columbus Insurance Board, at which representatives of Columbus banking institutions were guests. The board seeks to have the insurance on the property placed through local agents.

## Registration 1,100;

## 46 States Are Represented

MILWAUKEE—Registration at the meeting of the National Association of Insurance Agents here exceeded 1,100, although only about 400 were originally expected. At the annual dinner Tuesday night, President F. A. Moreton said that 46 states were represented, the largest total at any meeting. Only Nevada and New Mexico were unrepresented.

More than 1,000 were at the dinner, despite rigid limitation of tickets to registrants.

The award of the Sparlin Cup to the New Jersey association marked the third time this state body has won it, the first time this has happened. President H. L. Brooks, Newark, accepted the cup for his group. The award was based upon the New Jersey association's public relations and legislative work. Past President J. W. Bowers, Enid, accepted the Connecticut association trophy for the Oklahoma association.

J. G. Grundle, secretary Milwaukee Board, acted as master of ceremonies. The entertainment, provided by Northwestern National, Concordia and Milwaukee Mechanics, featured songs and dances of several national groups and the chorus of the Milwaukee festival singers.

### Newell Johnson Luncheon Guest

MILWAUKEE—About 30 members of the Minnesota Association of Insurance Agents attending the meeting of the National association here gave a luncheon Wednesday for Commissioner Johnson of Minnesota. Mr. Johnson, who is president of the National Association of Insurance Commissioners, addressed the N.A.I.A. that afternoon. H. L. Williams, Mankato, president Minnesota association, arranged the luncheon.

## EAST

### Ten Courses to Start in R. I., Oct. 16

KINGSTON, R. I.—Ten courses in insurance will be given by the division of industrial extension of Rhode Island State College, in cooperation with the state insurance department, starting Oct. 16, in five cities, it is announced by Dean Asa S. Knowles, division director.

Courses to be given in Providence are general principles of insurance and suretyship; casualty; inland marine; fire; suretyship; life; agency and home office management. In Pawtucket, Westerly, Newport and Woonsocket the courses will be general principles, fire, and casualty.

All courses will last 15 weeks, with evening sessions of two hours once a week, excepting the course in general principles, which specifies a 2½ hour session. College credit is given to those meeting entrance requirements. Rhode Island residents pay \$3 for each course semester hour, and non-residents \$7.50.

### Instructors Named

Instructors appointed on recommendation of the insurance education advisory committee, headed by Commissioner Carroll, are:

Robert M. Morrison, Boston attorney, fire; Rowland A. Crowell, Providence manager American Auto, casualty; Carleton I. Fisher, vice-president and casualty manager of G. L. & H. J. Gross Co., Providence, general principles and casualty.

Lewis A. Hazen, Providence, bonding department superintendent Aetna Casualty, suretyship; William M. McSweeney, Providence, manager Travelers, casualty; Joseph A. Pelletier, general adjuster in charge of claims Rhode Island, fire, casualty and general principles; Herbert F. Taft, special agent Aetna affiliated companies, Providence, casualty; and G. Henry Angell, assistant secretary Providence Washington, inland marine.

### J. A. North, Stone N. H. Speakers

John A. North, vice-president of Phoenix of Hartford, and E. C. Stone, U. S. manager of Employers Liability, are to be the featured speakers at the annual meeting of the New Hampshire Association of Insurance Agents at Manchester, Oct. 26. They will address the afternoon meeting, Mr. North's subject being "Risks We Face," and Mr. Stone on the S.E.U.A. decision.

Brief messages will be brought by Governor Blood, Motor Vehicle Commissioner White, Insurance Commissioner Knowlton, Deputy Commissioner Simon Sheldon and A. C. Hudson, secretary of the New Hampshire Board of Underwriters.

The business meeting will be held in the morning and the New Hampshire Insurance Women's League and Mountain Field Club will also hold meetings then.

### Vance Heads D. C. Insurers

The Insurers Association of the District of Columbia at its annual meeting elected J. H. Vance president, M. L. May vice-president, C. M. Saxelby, secretary-treasurer, and S. J. Sugar national councillor. Directors elected are J. H. Pumphrey, S. S. Kaufman,



L. C. Crawford, and Robert Borrowman.

Col. Crawford discussed the efforts of the committee of which he is chairman to secure recognition of agents by the new D. C. Rating Bureau. The association voted to increase remuneration of the secretary-treasurer from \$10 to \$25 per month.

W. M. Sall of the Wheeling Steel Cor-

poration will address the Nov. 6 meeting of the Insurance Women of Wheeling on postwar plans. W. E. Winski, bond superintendent for Aetna Casualty, addressed the October meeting on the history of suretyship.

W. J. Battershall, Crum & Forster, spoke to the Insurance Women of Lackawanna County at Scranton, Pa., on fire and extended coverage. He explained the new forms and rates adopted in Pennsylvania.

## PACIFIC COAST AND MOUNTAIN

### Beazley Made V.-P. on Coast

Directors of Phoenix and Connecticut Fire have elected Frank C. Beazley vice-president of both companies.

Mr. Beazley is manager of the Phoenix-Connecticut group on the coast with headquarters in San Francisco,



FRANK C. BEAZLEY

and formerly was secretary of the Minneapolis Fire & Marine. Before being elected secretary of Minneapolis F. & M. he was special and state agent in Oklahoma, Kansas and Minnesota.

Mr. Beazley entered insurance with the general agency firm of Trezevant & Cochran of Dallas in 1919, traveling in Texas, New Mexico, Louisiana, Arkansas and Oklahoma. He is chairman of the executive committee of the Pacific Board and recently was in the east as a member of a committee of the board to confer with eastern executives.

#### San Francisco Dewey Committee

Henry E. North, vice-president in charge of the Pacific Coast office of Metropolitan Life, has been named chairman of a "insurance non-partisan committee for Dewey and Bricker," with Charles C. Hannah, president of Fireman's Fund, and Homer W. Bunker, vice-chairmen. W. Shepard French is treasurer and Charles Seeley, secretary of the committee. An advisory committee of about 50 agents and company men representing more than 40 cities and towns in northern California, has been named.

A luncheon was held in San Francisco Tuesday, Oct. 10, with Commissioner Garrison as the principal speaker. More than 250 attended.

#### Name Aerial Fire Observer

LOS ANGELES—The city fire commission has placed Fireman Emil H. Plamadon on duty as an observer and fire fighting director from the air, as well as to make reconnaissance flights daily over the city.

Plamadon holds a pilot's license and owns a plane. He has offered its use to the city on condition that he pilot it. There are several hundred square miles

of wooded and mountain areas within the city limits and it is believed that observation from the air would give valuable assistance to firefighting crews on the ground.

#### Confer C. P. C. U. in Los Angeles

LOS ANGELES—The C.P.C.U. designation will be conferred on Walter W. Bennett of the Bennett-Werner Co., who is conducting the course for those intending to take the broker's license examination, and on Robert McWilliams at a dinner sponsored by the Insurance Forum of Los Angeles Oct. 24. Harry J. Loman, dean of the American Institute for Property & Liability Underwriters, will come to Los Angeles to confer the designation.

#### Plan Fire Prevention Program

The Associated Agents Committee of Southern California will have a fire prevention program in Long Beach Oct. 16. Vincent S. Kerans, state agent of Corroon & Reynolds, will conduct the program in conjunction with officials of the state fire marshal's office.

#### NEWS BRIEFS

Crawford Mortensen, engineer of Fireman's Fund, addressed the Glendale (Cal.) Association of Insurance Agents on "Rates and Rate Making."

M. L. Dressel has joined the Brown general agency of Seattle as a staff adjuster. He was formerly an appraiser with the Washington state land commission.

## SOUTH

### Alabama V.-P. Has Engineering Background

John O'C. Jackson, who was recently elected vice-president of the Alabama Association of Insurance Agents, is a partner in the firm of McHugh, Hamilton, Lyon Co. at Mobile. He went with the Alabama Inspection & Rating Bureau as special agent in March, 1923, and first worked on the re-rating of Birmingham. When this was completed he traveled Alabama as a bureau special agent. From 1926 to 1937 he was in charge of the Mobile territory, when he opened a local agency with G. B. Thames. They purchased the firm of McHugh, Hamilton, Lyon Co., with Ben H. Harris as a partner. Mr. Jackson was chairman of the executive committee of the Alabama Association last year. He served as president of the Mobile board for two years and is a member of the accident prevention committee of the National association. He is a lieutenant in the temporary coast guard reserve, and has a son, John Jr., in the marine corps, who formerly was with the agency.



J. O'C. JACKSON

#### Curtis Entertains Directors

RICHMOND—Warren F. Curtis of Curtis & Boswell, retiring president of

the Insurance Exchange of Richmond, was host at a dinner to the directors of the organization. He will relinquish his office when the annual meeting is held Oct. 20.

#### Okl. City Exchange Elects

Walter Thornton has been elected president of the Oklahoma City Insurance Exchange to succeed H. J. Moran. Dave R. McKown was chosen vice-president and Leland Booth reelected secretary-treasurer. On the executive committee are C. L. Williams, Horton C. Hightower, S. B. Clarkson and E. M. Rickman.

#### Pay Birmingham City Hall Loss

BIRMINGHAM, ALA.—A check for \$166,803 has been delivered to the city of Birmingham by Ralph Bardwell of Fire Companies Adjustment Bureau, in

settlement of fire damage to the city hall and equipment June 25. It represents \$50,000 for loss of office equipment and \$116,803 for damage to the building.

Mayor Green characterized the settlement as a liberal one.

#### NEWS BRIEFS

Fidelity & Columbia Insurance Co., subsidiary of the Fidelity & Columbia Trust Co. and Citizens Union National Bank, Louisville, as a result of the merger of the bank and trust company as the Citizens Fidelity Bank & Trust Co., has changed its name to the Citizens Fidelity Insurance Co.

Stricter standards are being set up in Oklahoma for trucks carrying butane and propane gas in an inspection program instituted by T. J. Ellis, state fire marshal and liquefied petroleum gas administrator.

## MARINE INSURANCE NEWS

### Shipper Wins on All Points Against Carrier's Insurer

The South Carolina supreme court held against Automobile of Hartford on every point that it raised against the claim of a shipper in connection with liability under a cargo policy insuring a carrier. The case was McIntosh Feed & Seed Co. vs. Whieldon and Automobile of Hartford.

Joe E. Whieldon of Williamsburg county, S. C., was the carrier. He had been granted a class D certificate of public convenience and necessity under the terms of the South Carolina motor carrier act. Automobile insured Whieldon for his legal liability as carrier for loss or damage to produce and fertilizer transported within a radius of 1,000 miles of Kingstree, S. C., and attached to the policy was an endorsement complying with rule 59 of the motor vehicle commission.

On June 2, 1943, while transporting a load of beans from Kingstree to Baltimore for McIntosh the truck was wrecked in Virginia and the shipment of beans was damaged to the extent of \$312.

#### Two Items Disallowed

McIntosh brought an action against Automobile and Whieldon for the amount of the damages plus \$50 representing brokerage commissions and \$50 representing freight charges advanced. The latter two items were disallowed by the circuit judge but he gave a decision for the shipper for \$312.

The questions involved are: Is the policy one of liability permitting direct action by a third party? Is the law of Virginia controlling as to the right of McIntosh to maintain an action on the policy and did the trial judge err in failing to give effect to the coinsurance and deductible clauses?

Resolving the first question, the supreme court found in favor of McIntosh because of the endorsement to the policy required by rule 59 of the public service commission.

Automobile contended that the endorsement applied only in South Carolina and that the loss having occurred in Virginia the endorsement cannot be considered in determining the rights of the parties. The trial judge held that the endorsement did not have the effect of confining the coverage to losses occurring within South Carolina. The supreme court stated that it does not find it necessary to pass upon the correctness of the construction placed upon this endorsement by the trial judge.

The supreme court stated that the power of the public service commission to grant a certificate authorizing the carrier to transport produce to points beyond the state is not among the ques-

tions raised in the proceeding if indeed it could be raised by Automobile nor is any question raised as to interference with interstate commerce under the federal motor carrier act. The supreme court held that the endorsement should be considered as coextensive with the grant contained in the certificate and would therefore extend along any route or territory which the carrier was authorized to serve by the PSC.

Hence a direct obligation is created by the insurer to the shipper and the endorsement constitutes an unconditional or absolute promise by the insurer to pay to the shipper any loss or damage to the cargo for which the carrier could be held liable.

Automobile, according to the supreme court, in support of its contention that a direct action cannot be maintained against it by the shipper relies on a provision contained in the general terms of the policy to the effect that no action shall lie against the insurer to recover for any loss until the amount of such loss has been "definitely determined by final judgment after trial of the issue in an action against the assured." The endorsement to the policy, however, provides otherwise and the endorsement controls.

Under the laws of Virginia a shipper is not permitted to maintain an action directly against the insurer until he has obtained judgment against the insured, but according to the supreme court the policy involved is not one of indemnity against loss but carries a direct obligation to the shipper. Both the shipper and the carrier reside in South Carolina. The contract of carriage was made in South Carolina.

#### Coinsurance Clause

If the coinsurance clause contained in the general terms of the policy applies, Automobile's proportionate share of the loss would amount to \$135.57 and if there were further applied the \$50 deductible clause the net contractual loss would be \$85.57. Automobile contends it is only liable in any event for the last named amount which it has indicated a willingness to pay.

Under the endorsement, the court declared, it is provided that no stipulation or limitation contained in the policy shall affect in any way the rights of the shipper. The general terms of the policy provide that the insured shall reimburse the insurer for any payment made which the insurer would not have been obligated to make except for the endorsement required by law. The supreme court stated it was not the intention of the parties to apply the coinsurance and deductible clauses to the shipper and as between the insurer and the shipper the insurer is liable for the full amount of the loss.

Automobile called attention to the fact that at the time of the upset the truck was not licensed. The license expired Dec. 31, 1942, and was not renewed until June 30, 1943. The carrier had applied

for a license but it was not issued because he had not filed the P. L. and P. D. insurance required by law. The supreme court, however, stated this circumstance has no bearing on the liability of Automobile. The policy contains no provision excluding liability for this reason. Failure to furnish insurance might have been a cause for the revocation of the certificate but the certificate was not thereby automatically revoked. Willcox, Hardee, Houck & Wallace represented Automobile and J. Frank Eaton of Kingtree was attorney for McIntosh.

## C. A. Mayo Is Named Rhode Island Marine Head

Rhode Island has appointed C. A. Mayo manager of the marine department to supervise the countrywide business from the home office, succeeding Thomas E. Gaskill who recently resigned to become secretary of William Penn Fire. Mr. Mayo has a background of 25 years' experience in marine underwriting and field work. Lately he has been with Jones & Whitlock in New York.

## Marine Insurance Comment in 200 Year Old Novel

President Sidney R. Kennedy of the Buffalo writes that marine underwriters of 1944 may be interested in learning that a famous novelist who wrote nearly 200 years ago was well aware that moral hazard in marine insurance was not only generally recognized at that time but pretty well calculated.

Tobias Smollett, in his well known novel "Peregrine Pickle," relates an incident in which Peregrine and Cadwalader Crabtree, a friend, pass themselves off as a couple of fortune tellers, and among their credulous patrons who paid them for forecasting advices were "merchants, who had insured above value, and thirsted after the news of a wreck" and "underwriters who prayed for the gift of prescience, that they might venture money upon such ships only as should perform the voyage in safety."

Apparently the uprightness of admiralty lawyers of those days was also regarded with skepticism, for among Peregrine's clients were some "who were dubious of the honesty of their counsel."

## Pay \$7 Million for Coolidge

The War Shipping Administration has agreed to pay the American President Lines \$7 million for the loss of the pre-war liner President Coolidge, sunk by mine in the southwest Pacific Oct. 26, 1942, without loss of life. The decision is in accord with provisions of the merchant marine act of 1936 and conforms to requirements laid down by the advisory board on just compensation appointed by President Roosevelt.

The President Coolidge was completed by the Newport News Shipbuilding & Dry Dock Co. in Oct., 1931. Cost of construction was \$8,017,690. The ship's deadweight tonnage was 17,200 and her speed 20 knots. She had accommodations for 305 first class passengers, 133 tourist class and 402 steerage passengers.

On Dec. 31, 1941, the liner was bareboat chartered by the U. S. maritime commission and transferred to the navy.

## CASUALTY UNDERWRITER

Young man for underwriting, automobile, general liability and burglary (main line is automobile). State experience, age, marital status, education, draft status and salary. Give complete information in replying. Address A-10, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## MOTOR

## Pacific Employers Withdraws from Cal. Rate Agreement

SAN FRANCISCO—Notice of intention to withdraw as a subscriber to the California agreement relating to motor vehicle insurance has been filed with Commissioner Garrison by Pacific Employers. This is the first withdrawal since the agreement came into being May 1, 1942, following veto by former Governor Olson of the "fictitious fleet" bill, and opens the way for further withdrawals by other subscribers. Under the terms of the agreement the first company to withdraw must give not more than 120 and not less than 90 days notice prior to the next session of the legislature, which convenes on Jan. 1, 1945. However, at the end of the 90 days and on any such withdrawal, any other subscriber may withdraw at the same time, provided it has given at least five days notice in writing to the commissioner of its intention to withdraw.

### Others May Withdraw

This means that, between now and Dec. 25, any other company writing automobile lines in California (since all companies are signatory) may file notice of intention to withdraw, and there is considerable speculation in San Francisco as to whether or not this withdrawal on the part of one subscriber will result in similar action by others and whether, if such further withdrawals occur, the way has been opened for introduction of an anti-discrimination measure at the forthcoming session of the legislature, or perhaps an even more severe rate-filing bill. There is also conjecture as to whether or not the situation created by the withdrawal of Pacific Employers may not bring the entire matter to the attention of the special committee appointed by Governor Warren for re-appraisal of the California insurance laws.

Meanwhile, the withdrawal of Pacific Employers does not in any way alter the provisions of the agreement and all companies must continue to live up to it until at least the end of the present year. While it is a private agreement, the former commissioner made it clear through bulletins issued shortly after execution of the agreement that disciplinary action would be taken against any company which failed to carry out its commitments as set forth in the agreement.

It is understood that in filing notice of withdrawal, Victor Montgomery, president Pacific Employers, stated that he does not intend to engage in a widespread practice of the methods of rating prohibited by the agreement but is withdrawing because of his objection to the agreement as a matter of principle, feeling that it is extra-legal in character and delegates to the commissioner certain powers and duties not at the present time conferred or imposed upon the commissioner's office by law, and is of the opinion that automobile underwriting should be a matter solely within the control of each company in accordance with the dictates of its judgment.

## Ingersoll Joins New Company

LOS ANGELES—Randolph Ingersoll has resigned as vice president of West American to become executive vice-president and general manager of Automotive Insurance Corporation, formed by local automobile dealers to meet their needs for a market and recently licensed.

## Orr Heads Toronto Agents

TORONTO—George M. Orr has been elected president of the Toronto &

District Insurance Agents Association. Charles Priestman continues as secretary.

The British Columbia Blue Goose will hold a "hoodoo" golf tournament Oct. 13 at Victoria.

## DEATHS

(CONTINUED FROM PAGE 16)

where he had been confined since January, though his condition had not been serious until last week. A resident of Wichita for 62 years, Mr. Woolard had been state agent of American Central for 43 years before retiring and in earlier years had covered the mountain states, Nebraska and the old Indian Territory as well as Kansas. In later years he represented the entire Commercial Union group for southern Kansas. He was one of the charter members of the old Central Kansas Field Men's Club of Wichita, which later was converted to the Sunflower Blue Goose puddle. He was also a 32 degree Mason and Shriner.

Col. Woolard had many interests including literature and poetry, having compiled the "Good Fellowship" series of poetry which was published in 10 books. In politics he was a strong Republican and had served as colonel on the staffs of former Governors Hoch and Stubbs. He always had a keen interest in young field men and helped many to get their start in the business. There was a large representation of field men and agents at the funeral in Wichita Saturday.

Willard Quinn, 65, head of the Kansas Underwriters, Wichita general agency, died in a Wichita hospital, following two months illness, although he had only been in the hospital two days. His son DeVone is a partner in the general agency. He had been a member of the Kansas Bar Association for 25 years. Mr. and Mrs. Quinn celebrated their 40th wedding anniversary last month.

Leonard M. Plotkin, 53, manager of the New York suburban fire department of Fire Association, died at his home in Brooklyn after a long illness. He started in the business with Svea and

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then went with Niagara Fire in 1922. He had been suburban manager for Fire Association since 1930. He was a past president of the Insurance Square Club of New York.

### R. A. Parker, Inspection Bureau Head, Dies

Robert A. Parker, 44, manager of the Cook County Inspection Bureau, died suddenly at St. Luke's hospital in Chi-



ROBERT A. PARKER

cago. He had been ill only a day or two. Some months ago, following the lengthy negotiations which led to sepa-

ration of the Chicago Board and the inspection organization, Mr. Parker suffered a nervous breakdown, and was away from the office some weeks.

In 1919 Mr. Parker went with Underwriters Laboratories to do testing of electrical apparatus. He joined the Western Actuarial Bureau in 1921 and in 1923 went with the Chicago Board. There he became assistant superintendent of rating in 1929 and superintendent in 1933. He was named assistant manager in 1935, and acting manager in 1940, after Jay S. Glidden's death. Made manager in 1941, he took charge of the bureau when it was organized.

Funeral services were attended by a number of insurance people.

Logan R. Olinger, 64, veteran local agent at Maxwell, Ia., died there.

### Public Relations Forum Draws Large Crowd

(CONTINUED FROM PAGE 41)

the actual need for labor is proportionately less. In the modern factory, many operations are being reduced to a matter of pulling a lever or pushing a button, so that the way to make use of the tremendous labor reservoir and those people released from manual labor is to see the expansion in service occupations.

#### Personal Contact Imperative

"Insurance carried to its full expansion in possibilities of service and protection to the public on every front will never be a matter of pushing a button or pulling a lever. It will always be, like other intelligent selling, a matter of personal contact, of individual

plan and consistent service. There can be no substitute for the insurance agent who does his job sincerely and intelligently, and the future of your business seems to me to hold great possibilities for expansion, both in personnel and in volume," Mr. Motley emphasized.

#### Approves N.A.I.A. Material

"Your approach as I have understood it from a reading of your public relations manual and other pamphlets and publicity which you have put out this year seems basic," Mr. Motley observed. "I think actually that every man who has bought an insurance policy, really says to himself at some stage of the game, 'I can't understand this darned thing; but the agent seems like an intelligent fellow, and I'm willing to take his word for it. He says I'm covered, so I suppose I am.'"

#### Tribute to Agents

"The public must largely buy on faith, and my hat is off to you as salesmen because you are able to sell a promise to perform for cash in advance, and believe me, as a salesman myself, that's quite a trick. It is a tribute to the excellent record of insurance through the years that you can do this." However, "you have a further job in educating people to the point at which they will actually buy insurance from you rather than have you sell it to them."

W. A. Patterson of Chicago, president United Airlines, observed that the insurance business after 75 years of operation under the edict that it was not commerce is in a parallel situation with what confronted the air transportation systems in 1934 seven years after their operations started. Without a word of warning their mail contracts were canceled and they were not even given a hearing. Nevertheless he believes that the air industry learned some valuable lessons and remembered them more vividly because of its youth. It got a better understanding of its responsibility to its customers and the public.

Mr. Patterson said that a great business should be interested in what he called some of the by-products, for instance. Social and civic responsibilities and obligations to employees. In his opinion some businesses confine their responsibility entirely to caring for stockholders and making a profit. They do not look beyond their own doorstep. He said that when a concern sees opposition to a practice or trend it should at once make an investigation and investigate the cause the same as it would a competitive situation. It is wise, he said, to analyze why a concern is losing business. It may be that it should get out a better product and have an improved sales technique. An intelligent management, he said, will study those concerns that seem to get the smiles and favor of the public.

It is well to investigate one's internal affairs. For instance capital, he said, has little value unless it can get the right kind of labor. They are inseparable. He said that every concern owes a responsibility to capital, labor and its customer consumer. Social and economic standards, also, he said, are by-products of business. Labor, as a rule, is good if well treated. Every concern doing business in a community owes something to it.

Mr. Patterson was asked whether there is danger of too much centralization in Washington. He said that often there are industries too large for single regulation. They should be supervised by the states and not the federal government. There are oft times local or state conditions that have a bearing on what a business is doing, which the federal government cannot penetrate because it is too far away and too unwilling.

ing up" activity and now faces two major operating problems. These are the financial problem and the relationship of local and national public relations activities.

On the financial side, the voluntary subscription fund was raised for a three year period, but necessary delays in getting started have resulted in the expenditure of less than that budgeted for the period now ending, so two years further operation are assured. However, he said that a matter of this importance should not depend upon voluntary subscriptions and that right now national officers and state leaders should start studying the permanent financing problem.

On the matter of coordinating activities, Mr. Fetzner said that the National association should continue certain functions under the present set up, with competent counsel, strong Washington representation, good publicity handling and executive assistance to operate primarily in the field. Beyond this, the bulk of the public relations job must be done in the local communities and an important function of the national group is to sell and assist local bodies on this work. There should be no conflict here and the total expenditure, local and national, for public relations work must be increased if the National association is to make much of an impression on over 130 million people. The committee feels unanimously that the most important contributor to public relations is the high grade, competent insurance agent, doing his daily work and the educational activities of the National association must be continued and increased, as they are a major part of the public relations program.

Reviewing the year's work, Mr. Fetzner said that one of the committee's hardest tasks was to disabuse people of the idea that good public opinion could be bought and that public relations is "something mysterious, something external to the day to day life of people." The first work of the committee was the publication of its public relations manual which Mr. Fetzner urged every local board to make the subject of many meetings. More recently, it prepared the booklet, "Your Insurance Agent," which is designed for a very large scale distribution by individual agents to their own list and which had received a very enthusiastic earlier reaction. The preparation costs were absorbed by the public relations fund, so the booklets are available at the exact paper and printing cost. The committee has appropriated funds for nine full page magazine advertising insertions, but, due to present conditions, it cannot tell when they will appear. They are being adapted to newspaper use and mats are being prepared for use of local boards who wish to use them in their local papers over the board's signature. He urged boards to use them at once, rather than wait for any schedule geared to their magazine appearance.

#### Pa. Cas. Opens N. Y. Service Office

Pennsylvania Casualty has opened a service department at 83 Maiden Lane, New York City, with W. M. Binger in charge. The new office consists of claims, engineering and audit departments, and will be an adjunct to the service now given brokers and borough agents by Alexander Greene & Co., managers of the metropolitan department for the company.

Mr. Binger has wide acquaintance with New York producers, and is experienced in the adjusting of claims, engineering and underwriting of metropolitan New York business.

#### Heindel to Fireman's Fund

Fireman's Fund has appointed Kenneth J. Heindel as special agent for Connecticut, succeeding Arthur T. Fleischhauer. He has been with Automobile for several years in field and production work. He will maintain headquarters at 185 Church street, New Haven.

### COMMITTEE REPORT

In the report of the public relations committee, distributed before the sessions began, Mr. Fetzner said that his new committee has completed its "tool-

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